Sl. No:	Name of Company
1	Cadensworth (India) Limited
2	ProConnect Supply Chain Solutions Limited
3	Ensure Support Services India Ltd
4	Redington International Mauritius Limited
5	Redington Distribution Pte. Limited
6	Redington Gulf FZE
7	Redington Egypt Limited
8	Redington Nigeria Limited
9	Redington Gulf and Co. LLC
10	Redington Kenya Limited
11	Cadensworth FZE
12	Redington Middle East LLC
13	Ensure Services Arabia LLC
14	Redington Africa Distribution FZE
15	Redington Qatar WLL
16	Ensure Services Bharain SPC
17	Redington Qatar Distribution Company W.L.L
18	Redington Limited
19	Redington Kenya EPZ Limited
20	Africa Joint Technical Services Company
21	Redington Uganda Limited
22	Cadensworth UAE LLC
23	Redington Tanzania Limited
24	Redington Morocco Ltd
25	Redington Angola LDA
26	Ensure IT Services (PTY) Ltd
27	Redington Turkey Holdings S.A.R.L
28	Arena Bilgisayar Sanayi Ve Ticaret Anonim Şirketi
29	Arena International FZE
30	Sensonet Teknoloji Elektronık Ve Bılısım Hızmetlerı Sanayı Ve Tıcaret Anonim Şırketı
31	Redington Bangladesh Limited
32	Redington SL (Private) Limited
33	Redington Rwanda Ltd
34	Redington Kazakhstan LLP
35	Ensure Gulf FZE
36	Ensure Middle East Trading LLC
37	Ensure Solutions Nigeria Limited

38	Ensure Technical Services Kenya Limited
39	Ensure Services Uganda Limited
40	Ensure Technical Services Tanzania Limited
41	Ensure Ghana Limited
42	Proconnect Supply Chain Logistics LLC
43	Ensure Technical Services Morocco Limited (Sarlau)
44	ADEO Bilişim Danışmanlık Hizmetleri San. ve Tic. A.Ş.
45	Redington Senegal Limited, SARL
46	Ensure Digital FZ – LLC**
47	Redington Saudi Arabia for Distribution
48	Paynet Ödemet Hizmetleri Anonim Şirketi (Turkey)
49	CDW International Trading FZE,UAE
50	RNDC Alliance West Africa Limited,Nigeria
51	Link Plus Bilgisayar Sistemleri Sanayi Ve Ticaret AS

CADENSWORTH
Catalyst to New Possibilities

Cadensworth (India) Limited
Balance Sheet as at March 31, 2016

(₹ in Lakhs)

	Particulars	Note No.	As at 31-Mar-2016	As at 31-Mar-2015
I.	**EQUITY AND LIABILITIES**			
	Shareholders' funds			
	Share capital	3	130.13	130.13
	Reserves and surplus	4	5,842.35	4,669.47
			5,972.48	**4,799.60**
	Non-current liabilities			
	Long-term provisions	5	281.97	101.37
			281.97	**101.37**
	Current liabilities			
	Short-term borrowings	6	4,392.15	9,133.47
	Trade payables	7	15,369.76	19,155.77
	Other current liabilities	8	977.96	1,406.61
	Short-term provisions	9	378.01	1.90
			21,117.88	**29,697.75**
	TOTAL		**27,372.33**	**34,598.72**
II.	**ASSETS**			
	Non-current assets			
	Fixed assets			
	(i)Tangible assets	10A	178.88	213.16
	(ii)Intangible assets	10B	0.22	0.43
	Deferred tax assets (net)	11	131.95	59.08
	Long-term loans and advances	12	2.52	1.80
			313.57	**274.47**
	Current assets			
	Inventories	13	8,270.22	12,533.74
	Trade receivables	14	17,591.73	20,384.26
	Cash and cash equivalents	15	800.61	631.30
	Short-term loans and advances	16	396.20	774.95
			27,058.76	**34,324.25**
	TOTAL		**27,372.33**	**34,598.72**

See accompanying notes forming part of financial statements

In terms of our report attached

For A S Varadharajan & Co
Chartered Accountants
Firm Registration Number: 009840S

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

A S Varadarajan
Partner
Membership Number: 018899

Place : Chennai
Date : May 18, 2016

For and on behalf of the Board of Directors

M.Raghunandan
Director
DIN: 00082171

P.S. Neogi
Director
DIN: 01816223

CADENSWORTH
Catalyst to New Possibilities

Cadensworth (India) Limited
Statement of Profit and Loss for the year ended March 31, 2016

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenue from operations	17	70,074.47	55,997.15
Other income	18	157.93	157.48
Total Revenue		**70,232.40**	**56,154.63**
Expenses:			
Purchases of trading stocks		60,401.57	54,307.79
Changes in inventories		4,263.52	(3,270.71)
Employee benefits	19	1,142.45	1,045.91
Finance costs	20	478.69	585.39
Depreciation & amortisation	10C	66.59	61.68
Other expenses	21	1,467.44	1,268.36
Total Expenses		**67,820.26**	**53,998.42**
Profit Before Corporate Social Responsibility Expenditure and Tax		**2,412.14**	**2,156.21**
Allocation for Corporate Social Responsibility Expenditure		31.40	21.27
Profit Before Tax		**2,380.74**	**2,134.94**
Tax expense:			
Current tax		905.00	714.00
Deferred tax		(72.87)	17.45
Profit for the year		**1,548.61**	**1,403.49**
Earnings per equity share			
Basic and Diluted		**119.01**	**107.85**

See accompanying notes to the financial statements

In terms of our report attached

For A S Varadharajan & Co
Chartered Accountants
Firm Registration Number: 009840S

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

A S Varadarajan
Partner
Membership Number: 018899

For and on behalf of the Board of Directors

M.Raghunandan
Director
DIN: 00082171

P.S. Neogi
Director
DIN: 01816223

Place : Chennai
Date : May 18, 2016

CADENSWORTH
Catalyst to New Possibilities

Cadensworth (India) Limited

Cash Flow Statement for the year ended March 31, 2016

₹ in Lakhs

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Cash flow from operating activities:		
Net Profit before taxation	2,380.74	2,134.94
Adjustments for:		
- Depreciation	66.59	61.68
- Allocation for Corporate Social Responsibility Expenditure	-	21.27
- Unrealised foreign exchange variation (net)	(28.73)	2.49
- Interest expense	478.69	585.39
- Interest income	(87.91)	(148.44)
- Provision for Gratuity	(14.40)	19.44
- Provision for Leave encashment	1.10	(7.20)
- Provision for Doubtful Debts	222.18	19.37
- (Profit)/ Loss on Sale of Fixed Assets	(0.17)	8.52
	637.35	**562.52**
Operating Profit before working capital changes	**3,018.09**	**2,697.46**
Decrease/ (Increase) in Sundry Debtors	2,570.35	(2,841.99)
Decrease in Loans & Advances	1,195.48	275.79
Decrease/ (Increase) in Inventories	4,263.52	(3,270.70)
(Decrease)/ Increase in Current liabilities	(4,856.01)	1,917.99
Cash generated from/ (used in) operations	**6,191.43**	**(1,221.45)**
Direct taxes Paid (incl. TDS Receivables)	(817.08)	(723.11)
Net Cash generated from/ (used in) operating activities	**5,374.35**	**(1,944.56)**
Cash flow from investing activities:		
Capital expenditure	(36.96)	(115.26)
Proceeds from Sale of Fixed Assets	5.02	10.95
Bank Deposits placed	(9,171.83)	(11,304.80)
Bank Deposits settled (net)	9,231.27	11,414.00
Interest Received	87.54	146.40
Net Cash generated from investing activities	**115.04**	**151.29**
Cash flow from financing activities:		
Proceeds from borrowings (net)	22,097.70	51,318.03
Repayment of borrowings (net)	(26,839.03)	(48,946.49)
Interest paid	(519.30)	(693.24)
Net Cash (used in)/ generated from financing activities	**(5,260.63)**	**1,678.30**
Net increase/ (decrease) in cash and cash equivalents	228.76	(114.97)
Cash and cash equivalents at the beginning of the year	553.55	668.52
Cash and Cash equivalents at the end of the year	**782.31**	**553.55**
Reconciliation of cash and cash equivalents		
Cash and Cash equivalents at the end of the year as per Balance Sheet	800.61	631.30
Less: Bank deposits	18.30	77.75
Cash and Cash equivalents at the end of the year	**782.31**	**553.55**

See accompanying notes forming part of financial statements

In terms of our report attached

For A S Varadharajan & Co
Chartered Accountants
Firm Registration Number: 009840S

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

A S Varadarajan
Partner
Membership Number: 018899

Place : Chennai
Date : May 18, 2016

For and on behalf of the Board of Direct

M.Raghunandan
Director
DIN: 00082171

P.S. Neogi
Director
DIN: 01816223

CADENSWORTH
Catalyst to New Possibilities

Cadensworth (India) Limited
Registered office: SPL Guindy House, 95, Mount Road, Guindy, Chennai - 600032.

Financial Results for the Quarter/ Year ended March 31, 2016

(₹ in Lakhs)

Sl.No:	Particulars	Unaudited			Audited	
		Quarter Ended			Year Ended	
		March 31, 2016	December 31, 2015	March 31, 2015	March 31, 2016	March 31,2015
1	**Income from operations**					
	(a) Net sales/income from operations	17,609.11	15,119.92	19,161.41	70,074.47	55,997.15
	(b) Other operating income	-	-	-	-	-
	Total income from operations (net)	**17,609.11**	**15,119.92**	**19,161.41**	**70,074.47**	**55,997.15**
2	**Expenses**					
	(a) Purchases of Traded Goods	15,069.40	15,233.00	21,671.56	60,401.57	54,307.79
	(b) Changes in inventories	1,246.19	(1,506.73)	(4,152.05)	4,263.52	(3,270.71)
	(c) Employee benefits expense	258.38	328.80	264.25	1,142.45	1,045.91
	(d) Depreciation and amortisation expense	19.63	17.13	17.72	66.59	61.68
	(e) Other expenses	362.17	401.46	355.32	1,498.84	1,289.63
	Total expenses	**16,955.77**	**14,473.67**	**18,156.80**	**67,372.97**	**53,434.30**
3	**Profit from operations before Other Income and Finance Cost (1-2)**	**653.34**	**646.26**	**1,004.61**	**2,701.50**	**2,562.85**
4	Other income	71.97	13.45	16.03	157.93	157.48
5	**Profit before Finance Cost (3+4)**	**725.31**	**659.70**	**1,020.64**	**2,859.43**	**2,720.33**
6	Finance cost	94.15	112.66	143.85	478.69	585.39
7	**Profit before tax**	**631.16**	**547.05**	**876.79**	**2,380.74**	**2,134.94**
8	Tax expense	229.19	187.93	305.87	832.13	731.45
9	**Profit after tax for the period/year**	**401.97**	**359.12**	**570.92**	**1,548.61**	**1,403.49**
10	**Paid-up equity share capital (in Rs.) (Face Value - Rs.10/- Per share)**	**13,012,940**	**13,012,940**	**13,012,940**	**13,012,940**	**13,012,940**
11	**Reserves as per Balance sheet**	**5,842.35**	**5,816.26**	**4,669.47**	**5,842.35**	**4,669.47**
12	**Earnings per share (Face value - Rs.10 /- each) (not annualised for the quarters):** Basic & Diluted	**30.89**	**27.60**	**43.87**	**119.01**	**107.85**

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

Notes to Financial Statements for the Year ended March 31, 2016

1. Company Overview

Cadensworth (India) Limited, a wholly owned subsidiary of Redington (India) Limited, is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company primarily operates in the distribution business and provides component level Repair services for the IT products and also provides the services of part replacements for mission critical products in the IT and Telecom space and Logistic support services.

2. Summary of significant accounting policies

a. Basis of Preparation of financial statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with the previous year.

The Financial Statements and documents required to be attached thereto would be governed by the Provision of Schedule-III of the Companies Act, 2013.

b. Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosures relating to contingent assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates.

c. Fixed Assets and depreciation

Tangible Assets

Tangible assets are recorded at cost less accumulated depreciation. Cost comprises of direct cost, related taxes, duties, freight and attributable cost of bringing the assets to its present location and condition are ready for its intended use. Gain or losses arising from derecognition of tangible fixed assets are measured as the

A.S. VARADARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS difference between the net proceeds from disposal and carrying amount of the asset and are recognised in the statement of profit and loss.

i. Depreciation on Tangible assets :

Depreciation on tangible assets is provided on straight-line basis over the estimated useful lives, as determined by the Management at the following rates which are higher than the rates prescribed under Schedule II of the Companies Act, 2013.

Category	Depreciation Rate
Furniture & Fixtures	25%
Plant & Machinery	20%
Office Equipments	20%
Computers	33.33%
Vehicles	20%

ii. Leasehold Improvements viz. interiors on buildings taken on lease are capitalized and depreciated over a period of five years.

iii. Individual assets of Rs. 5,000/- and below are fully depreciated in the year of addition.

iv. Depreciation on additions to fixed asset is provided from the month of addition.

Intangible Assets

Intangible assets are recorded at cost less amortization.

Intangible assets are amortized over the estimated useful economic life, as determined by the Management at the following rate which is higher than the rates prescribed under Schedule II of the Companies Act, 2013.

Category	Depreciation Rate
Software	33.33%

d. Impairment of Assets

At each Balance Sheet, the company determines whether there is any indication of impairment of the carrying amount of its assets. The recoverable amounts of such assets are estimated, if any deviation exists and impairment loss is recognised wherever the carrying amount of the assets exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

e. Leases

Leases are classified as finance or operating leases depending upon the terms of the lease agreements. Lease rentals under operating leases are amortised in the Statement of Profit & Loss.

f. Inventories

Inventories are stated at lower of cost and net realizable value. Costs includes cost of purchase and other costs incurred in bringing the inventories to the warehouse, net of discounts and rebates and is determined on weighted average basis.

g. Revenue Recognition

Revenue from Sales is recognised when the ownership and title is transferred which generally coincides with delivery. Revenue is stated net of discounts, rebates and sales tax.

Service Income is recognised when services are rendered. Income from Warranty and Maintenance Contracts is recognized as per the terms of contract.

Revenue from supplier schemes is accrued, based on the fulfillment of terms of such programs.

h. Other Income:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income on overdue receivables is recognised only when there is a certainty of receipt.

i. Foreign Currency transactions

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

All monetary assets and liabilities in foreign currency are restated at the end of the accounting period at the prevailing exchange rates as on the Balance Sheet date and exchange gain/loss is suitably dealt with in the statement of Profit and Loss.

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the year.

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

j. Warranties

The Original Equipment Manufacturer generally warrants the products distributed by the Company.

k. Employee Benefits

i. <u>Short Term Employee Benefits</u>

Short term employee benefits including accumulated compensated absences determined as per Company's policy/scheme are recognised at the Balance Sheet date as expense based on expected obligation on undiscounted basis.

ii. <u>Long Term Employee Benefits</u>

<u>Defined Benefit Plan;-</u>

<u>Leave Encashment & Gratuity :</u> The obligation for long-term employee benefits such as compensation payable at the time of retirement / resignation on unavailed leave days and gratuity is provided based on actuarial valuation as at the Balance Sheet date, using the Projected Unit Credit Method. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the year in which they occur. The retirement Benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

<u>Defined Contribution Plan</u>
Contribution under statutory laws relating to employee benefits, including Provident Fund and ESI, is made in accordance with the respective rules and is charged to Profit and Loss Account.

l. Provision for Taxation

Provision for taxation comprises of the current tax provision, the net change in the deferred tax asset or liability for the year.

i. Current tax is determined in accordance with the provisions of the Income Tax Act, 1961
ii. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences between the carrying values of the assets and liabilities and their respective tax bases using enacted or substantively enacted tax rates. Deferred tax assets, subject to virtual certainty that sufficient future taxable income will be available , are recognised and carried forward only to the extent they can be realized
iii. Tax on proposed distribution of dividend is based on the provisions of Income Tax Act, 1961 and disclosed as appropriation in the Reserves and Surplus in the Balance Sheet

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

m. Cash and Cash Equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash.

n. Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity shares.

o. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements, as a consideration of prudence.

p. Derivative Instruments and Hedge Accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company does not hold derivative financial instruments for speculative purposes. The Company has applied to all such contracts outstanding as on March 31, 2016 the hedge accounting principles set out in Accounting Standard 30 "Financial Instruments : Recognition and Measurement" (AS 30) by marking them to market. Changes in the fair value of the contracts that are designated and effective hedges of future cash flows are recognised directly in the Hedge Accounting Reserve.

A.S. VARADHARAJAN & CO.
CHENNAI
600 028
CHARTERED ACCOUNTANTS

3. Share Capital

i. The Company has only one class of shares referred to as equity shares having a par value of ₹10/-

	31-Mar-2016	31-Mar-2015
		₹ in Lakhs
Authorized shares 15,00,000 (Previous Year 15,00,000) Equity Shares of ₹10/- each with voting rights	150.00	150.00
Issued, Subscribed and fully paid up 13,01,294 (Previous Year 13,01,294) Equity Shares of ₹ 10/- each fully paid up with voting rights	130.13	130.13

ii. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

	31-Mar-2016		31-Mar-2015	
	No of shares	₹ in Lakhs	No of shares	₹ in Lakhs
At the beginning of the year	13,01,294	130.13	13,01,294	130.13
Issued during the year	-	-	-	-
Outstanding at the end of the year	**13,01,294**	**130.13**	**13,01,294**	**130.13**

iii. Terms/rights attached to equity shares;

For the year ended March 31, 2016 a dividend of ₹ 24 per equity share has been proposed by the Board of Directors (Previous year Nil per equity share). The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting which includes an agenda item to consider declaration of dividend

iv. Shares held by shareholders holding more than 5 %

	31-Mar-2016		31-Mar-2015	
	No of shares	% of Share holding	No of shares	% of Share holding
Redington (India)Limited	13,01,294	100%	13,01,294	100%

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

4. Reserves & Surplus

₹ in Lakhs

A. Securities Premium Account	31-Mar-2016	31-Mar-2015
Balance as per Last Balance sheet	482.07	482.07
Add: Premium on shares issued during the year	NIL	NIL
Balance at the end of the year	482.07	482.07

B. Hedge Accounting Reserve	31-Mar-2016	31-Mar-2015
Balance as per Last Balance sheet	(0.16)	NIL
Net movement during the year	0.16	(0.16)
Balance at the end of the year	**NIL**	**(0.16)**

C. Surplus in the Statement of Profit and Loss	31-Mar-2016	31-Mar-2015
Balance as per Last Balance sheet	4,187.56	2,784.07
Profit for the year	1,548.61	1,403.49
Sub Total	**5,736.17**	**4,187.56**
Less: Appropriations		
Proposed equity dividend for the year	312.31	-
Dividend Distribution Tax on the Proposed Dividend	63.58	-
Balance at the end of the year	**5,360.28**	**4,187.56**

Total reserves and surplus	**5,842,35**	**4,669.47**

5. Long Term provisions

₹ in Lakhs

	31-Mar-2016	31-Mar-2015
Provision for Employment Benefits		
Gratuity	31.78	49.56
Compensated absences	3.60	4.73
Provision for Taxation (Net of Prepaid taxes Current year ₹ 2,490.84 Lakhs, Previous year ₹ 1,785.70 Lakhs)	246.59	47.08
Total	**281.97**	**101.37**

6. Short Term Borrowings:

₹ in Lakhs

	31-Mar-2016	31-Mar-2015
Secured Loans		
- From Banks*	1,792.15	5,736.74
Unsecured Loans		
- From Banks	-	1,196.73
- From the Holding Company Redington (India) Limited	2,600.00	2,200.00
Total	**4,392.15**	**9,133.47**

*Loans from Banks are secured by pari-passu charge on Inventory and trade receivables

A.S. V... & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

7. Trade Payable:

₹ in Lakhs

	31-Mar-2016	31-Mar-2015
Due to Micro and Small Enterprises	-	-
Other than Micro and Small Enterprises	15,369.76	19,155.77
Total	**15,369.76**	**19,155.77**

8. Other Current Liabilities

₹ in Lakhs

	31-Mar-2016	31-Mar-2015
Statutory Liabilities	415.59	522.74
Interest accrued but not due on loans	16.08	56.70
Expenses payable	522.63	793.12
Allocation for CSR Expenditure	-	21.27
Other current liabilities	23.66	12.78
Total	**977.96**	**1,406.61**

9. Short Term provisions

₹ in Lakhs

	31-Mar-2016	31-Mar-2015
Gratuity	1.81	1.65
Compensated absences	0.31	0.25
Proposed dividend	312.31	-
Dividend Distribution Tax on the Proposed Dividend	63.58	-
Total	**378.01**	**1.90**

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

10.Fixed Assets

A. Tangible Assets

₹ in Lakhs

Description	Gross Block				Accumulated Depreciation				Net Block	
	01-April-2015	Additions	Deletions	31-Mar-2016	01-April-2015	Additions	Deletions	31-Mar-2016	31-Mar-2016	31-Mar-2015
Leasehold Improvements										
Current year	150.23	-	0.73	149.50	120.95	5.36	0.73	125.58	23.92	29.28
Previous year	136.74	25.93	12.44	*150.23*	*122.21*	*4.34*	*5.60*	*120.95*	*29.28*	*14.53*
Plant & Machinery										
Current year	444.14	-	14.16	429.98	390.31	13.25	14.13	389.43	40.55	53.84
Previous year	436.88	22.03	14.77	444.14	381.02	16.31	7.03	390.30	53.84	55.86
Furniture & Fixtures										
Current year	44.52	0.06	6.56	38.02	36.69	3.42	6.51	33.60	4.42	7.83
Previous year	41.95	4.44	1.87	44.52	33.97	3.74	1.02	36.69	7.83	7.98
Office Equipment										
Current year	75.11	-	1.94	73.17	43.82	8.25	1.94	50.13	23.04	31.29
Previous year	70.16	5.35	0.40	75.11	36.51	7.51	0.20	43.82	31.29	33.65
Computers										
Current year	116.03	13.28	5.09	124.22	76.96	21.38	4.61	93.73	30.49	39.07
Previous year	85.12	31.59	0.68	116.03	58.91	18.37	0.32	76.96	39.07	26.21
Vehicles										
Current year	70.22	23.62	4.82	89.02	18.37	14.72	0.53	32.56	56.46	51.85
Previous year	48.96	25.92	4.66	70.22	9.33	10.22	1.18	18.37	51.85	39.63
Tangible assets										
Current year	**900.25**	**36.96**	**33.30**	**903.91**	**687.10**	**66.38**	**28.45**	**725.03**	**178.88**	***213.16***
Previous year	**819.81**	**115.26**	**34.82**	**900.25**	**641.95**	**60.49**	**15.35**	**687.09**	**213.16**	**177.86**

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B. Intangible Assets

₹ in Lakhs

Description	Gross Block				Amortisation				Net Block	
	01-April-2015	Additions	Deletions	31-Mar-2016	01-April-2015	For the Year	Deletions	31-Mar-2016	31-Mar-2016	31-Mar-2015
<u>Software</u>										
Current year	18.02	-	0.20	17.82	17.59	0.21	0.20	17.60	0.22	0.43
Previous year	18.02	-	-	18.02	16.40	1.19	-	17.59	0.43	1.62
In-tangible assets total										
Current year	***18.02***	-	***0.20***	***17.82***	***17.59***	***0.21***	***0.20***	***17.60***	***0.22***	***0.43***
Previous year	***18.02***	-	-	***18.02***	***16.40***	***1.19***	-	***17.59***	***0.43***	***1.62***

C. Depreciation/Amortisation:

Category	**2015-16**	**2014-15**
Tangible Assets	66.38	60.49
Intangible Assets	0.21	1.19
Total	66.59	61.68

A.S. VARADHARAJAN & CO.
CHENNAI
600 028
CHARTERED ACCOUNTANTS

11. Deferred Tax

Break-up of Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences:

	As at March 31, 2016	As at March 31, 2015
	₹ in Lakhs	
Deferred Tax Assets:		
Depreciation	32.14	30.45
Provision for Gratuity	11.86	17.41
Provision for Leave encashment	1.35	1.69
Provision for Doubtful debts	86.60	9.53
Total	**131.95**	**59.08**
Net Deferred Tax Asset	**131.95**	**59.08**

12. Long Term Loans and Advances:

₹ in Lakhs

	31-Mar-2016	31-Mar-2015
Unsecured and considered Good:		
Deposits	2.52	1.80
Total	**2.52**	**1.80**

13. Inventories:

₹ in Lakhs

	31-Mar-2016	31-Mar-2015
Trading stocks	4,358.32	5,429.83
Goods In Transit	3,911.90	7,103.13
Service Spares	-	0.78
Total	**8,270.22**	**12,533.74**

14. Trade Receivables:

₹in Lakhs

	31-Mar-2016	31-Mar-2015
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	697.32	747.04
- Considered Doubtful	250.22	28.04
Other Trade Receivable - Considered Good	16,894.41	19,637.22
	17,841.95	**20,412.30**
Provision for doubtful receivables	250.22	28.04
Total	**17,591.73**	**20,384.26**

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

15. Cash and Cash Equivalents:

₹ in Lakhs

	31-Mar-2016	31-Mar-2015
Cash on Hand	0.41	0.44
Balances with Banks		
- On Current Account	781.90	553.11
- On Deposit Account	18.30	77.75
Total	**800.61**	**631.30**

16. Short Term Loans and advances:

₹ in Lakhs

	31-Mar-2016	31-Mar-2015
Deposits	174.06	163.53
Prepaid Expenses	21.80	21.57
Loans to Employees	6.23	5.59
Balances with Statutory/ Government authorities	139.62	580.89
Other advances	54.49	3.37
Total	**396.20**	**774.95**

17. Revenue from Operations

₹ in Lakhs

	2015-16	2014-15
Sales	66,672.43	53,747.10
Service Income	865.53	643.39
Rebates	2,536.51	1,606.66
Total	**70,074.47**	**55,997.15**

18. Other Income

₹ in Lakhs

	2015-16	2014-15
Interest Income	87.91	148.44
Gain on Foreign Exchange (Net)	28.73	-
Profit on Sale of Fixed Assets (Net)	0.17	-
Miscellaneous Income	41.12	9.04
Total	**157.93**	**157.48**

19. Employee Benefits

₹ in Lakhs

	2015-16	2014-15
Salaries & Bonus	979.18	886.09
Contribution to Provident Fund & Other Funds	53.34	45.01
Welfare Expenses (including compensated absences)	124.33	95.37
Gratuity	(14.40)	19.44
Total	**1,142.45**	**1,045.91**

K.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

20. Finance Costs

₹ in Lakhs

	2015-16	2014-15
Interest on borrowings	478.69	585.39
Total	**478.69**	**585.39**

21. Other Expenses

₹ in Lakhs

	2015-16		2014-15	
Rent		322.21		265.05
Freight		155.24		151.94
Warehouse Product/ Handling Charges		66.18		51.67
Travel		171.49		156.27
Repairs & Maintenance		104.34		121.97
Insurance		53.32		43.50
Rates & Taxes		4.88		5.39
Communication		43.48		38.33
Conveyance		32.25		30.96
Power & Fuel (incl. Utilities)		33.80		34.04
Auditor's Remuneration (Refer details below)				
- For Audit	4.00		3.20	
- For Taxation	0.50		0.30	
- For Certification	0.29		0.62	
- Out of Pocket Expenses	0.11	4.90	0.33	4.45
Directors Sitting fee		3.41		1.57
Directors Commission		5.00		-
Printing & Stationery		1.24		2.09
Security & Housekeeping		41.34		30.07
Loss on Sale of Fixed Assets (net)		0.00		8.52
Consultancy Charges		26.18		14.33
Business Promotion Expenses		53.57		45.16
Bank charges		109.21		214.23
Bad debts	-		60.77	
Less: Written off against provision	-		60.70	
Bad debts (net)		-		0.07
Provision for Bad & Doubtful Receivables		222.18		19.30
Exchange Loss (net)		-		2.49
Miscellaneous Expenses		13.22		26.96
Total		**1,467.44**		**1,268.36**

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

22. Allocation for Corporate Social Responsibility Expenditure:

As required in the Companies Act, 2013, the company has to spend 2% of the average net profits made during the three immediately preceding financial years on Corporate Social Responsibility (CSR).

Computation under Rule 2(f) of the Companies CSR Policy Rules 2014 for the financial year ended 31st March 2016 is ascertained at Rs 31.40 Lakhs.

During the financial year ended 31st March 2016, the company has spent Rs. 52.67 Lakhs including CSR Expenditure relating to the FY 2014-15

23. Gratuity

The company's obligation towards Gratuity fund is a Defined Benefit Plan and the details of actuarial valuation as at March 31, 2016 is given below

1. Movement

₹ in Lakhs

Particulars	2015-16	2014-15
Projected Benefit Obligation as at April 1, 2015	**51.21**	**32.71**
Employees Transferred from Group Company	2.04	9.99
Service Cost	3.98	3.62
Interest Cost	4.10	2.45
Claims paid	(5.26)	(10.92)
Actuarial gain/(loss)	(22.48)	13.36
Projected Benefit Obligation as at March 31, 2016	**33.59**	**51.21**

Amount recognised in the Balance Sheet:		
Projected benefit obligation at the end of the year	33.59	51.21
Fair value of the plan assets at the end of the year	Nil	Nil
Liability recognised in the Balance Sheet	**33.59**	**51.21**

Particulars	2015-16	2014-15
Cost of the defined plan for the year		
Current Service Cost	3.98	3.62
Interest on obligation	4.10	2.45
Expected return on plan assets	-	-
Net actuarial gain/(loss) recognised in the year	(22.48)	13.36
Net cost recognised in the Profit and Loss account	**(14.40)**	**19.44**

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

2. Mean Financial Assumptions

Particulars	2015-16	2014-15
Discount Rate	8.0%	7.5%
Salary escalation Rate	5.0%	5.0%
Attrition Rate	8.0%	5.0%
Demographic assumptions – Mortality	LIC (2006-08)	LIC (2006-08)

The amount provided for employee benefits as per actuarial valuation has been arrived at after considering future salary increase, inflation, seniority and promotion.

24. Due to Micro, Small and Medium Enterprises

Trade payables are dues in respect of goods purchased or services received in the normal course of business.

The Company has circulated letters to suppliers and based on confirmation received so far from the parties necessary disclosures relating to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 are made in the financial statements in accordance with the Notification No: GSR 719 (E) dated November 16, 2007 issued by the Ministry of Corporate Affairs. There is no overdue outstanding (including interest) payable to these enterprises

25. Contingent Liabilities

Particulars	March 31, 2016	March 31, 2015
	₹ in Lakhs	
1. Income tax	46.76	46.22

26. Segment Reporting

The Company primarily operates in distribution business and after sales services of IT and other products and as the revenue from service segment is less than 10% of the total revenue, there are no reportable segments as required to be disclosed under the Accounting Standard 17 "Segment Reporting". Although the Company's operations cover various States in India, the State laws have no significant impact on profitability. Accordingly there are no geographical segments to be reported.

27. Related Parties

i) **Name of the Related parties (as identified by the Management)**

Holding Company	Redington (India) Limited
Fellow subsidiary	Ensure Support Services (India) Limited
Fellow subsidiary	ProConnect Supply Chain Solutions Limited
Fellow subsidiary	Redington Distribution Pte Limited, Singapore
Fellow subsidiary	Nook Micro Distribution Limited

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ii) **Nature of Transactions**

₹ in Lakhs

Nature of transactions	Year ended March 31,2016	Year ended March 31,2015
Redington (India) Limited	**Holding Company**	
	2015-16	**2014-15**
Purchase of Goods	-	46.41
Service Charges - Expenses	50.28	51.61
Sale of Goods	-	1,390.53
Service Charges - Income	1.32	0.03
Interest charges	108.73	17.43
Rent charges	12.58	12.32
Purchase of fixed assets	-	8.38
Loan Availed	9,700.00	3,400.00
Loan Repaid	9,300.00	1,200.00
Amount payable at the end of the year	2,600.03	2,200.00
Ensure Support Services (India) Limited	**Fellow Subsidiary**	
	2015-16	**2014-15**
Rental Expenses	9.93	9.05
Rental Income	1.08	-
Service Charges - Expenses	24.50	10.71
Service Charges - Income	0.15	3.14
Amount payable at the end of the year	4.38	-
ProConnect Supply Chain Solutions Limited	**Fellow Subsidiary**	
	2015-16	**2014-15**
Warehouse / Product handling charges-Expenses	279.74	210.81
Purchase of Fixed Assets	-	2.52
Amount payable at the end of the year	29.54	32.20
Redington Distribution Pte Limited	**Fellow Subsidiary**	
	2015-16	**2014-15**
Purchase of Goods	1,123.53	1,077.35
Sale of Goods	7.60	-
Amount payable at the end of the year	11.90	133.59
Nook Micro Distribution Limited	**Fellow Subsidiary**	
	2015-16	**2014-15**
Sale of Goods	-	0.15

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28. Earnings Per Share

There are no potential equity shares and hence basic and diluted EPS are the same.

Description	2015-16	2014-15
Profit after tax (Rs. in lakhs)	1,548.61	1,403.49
Denominator – Weighted Average Number of equity shares	13,01,294	13,01,294
Face Value per share in Rs.	10/-	10/-
Basic and Diluted Earnings per share in Rs.	119.01	107.85

29. CIF Value of Imports

Particulars	2015-16	2014-15
	₹ in Lakhs	
Trading Stocks	52,514.01	46,158.71
Consumables	Nil	1.74
Components & Spares	0.39	4.13

30. Expenditure in Foreign Currency

Particulars	2015-16	2014-15
	₹ in Lakhs	
Travel	28.68	17.29
Others	Nil	0.18

31. Earnings in Foreign Currency

Particulars	2015-16	2014-15
	₹ in Lakhs	
Rebates	1,358.23	805.89
Income realized from Warranty Maintenance and Repair Services	2,342.44	1,548.53

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32. Previous year figures have been regrouped wherever necessary to conform to the classification of the current year.

For A.S Varadharajan & Co	**For and on behalf of the Board of Directors**	
Chartered Accountants		
Firm Registration Number: 009840S		
A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS		
A S Varadarajan	**M. Raghunandan**	**P.S. Neogi**
Partner	**Director**	**Director**
Membership Number: 018899	**DIN: 00082171**	**DIN: 01816223**

Place: Chennai
Date: May 18, 2016

B S R & Co. LLP
Chartered Accountants

No 10, Mahatma Gandhi Road
Nungambakkam
Chennai - 600 034, India

Telephone: +91 44 3914 5000
Fax: +91 44 3914 5999

Independent Auditors' Report
To the Members of ProConnect Supply Chain Solutions Limited

Report on the financial statements

We have audited the accompanying financial statements of **ProConnect Supply Chain Solutions Limited** ("the Company"), which comprise the balance sheet as at March 31, 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office :
1st Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. As required by Section 143(3) of the Act, we report 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.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Independent Auditors' Report
To the Members of ProConnect Supply Chain Solutions Limited

(e) On the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

(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, in our opinion and to the best of our information and according to the explanations given to us:

i The Company does not have any pending litigation which would impact its financial position.

ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership No: 203491
Chennai
Date: May 18, 2016

Annexure A to the Independent Auditor's Report to the members of ProConnect Supply Chain Solutions Limited for the year ended March 31, 2016

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable.

(ii) The Company is engaged in providing supply chain management services and does not hold any physical inventories. Accordingly, paragraph 3(ii) of the Order is not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register required under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) The Company does not have any loan, investment, guarantees and security which requires compliance under Sections 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax and other material statutory dues have been generally deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of wealth tax, duty of customs, duty of excise and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax and other material statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax and duty of custom which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of outstanding loans or borrowings to its bankers. The Company did not have any outstanding loans or borrowings to any financial institution and government or dues to debenture holders during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

(x) According to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The Company has not paid or provided for any managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

Annexure A to the Independent Auditor's Report to the members of ProConnect Supply Chain Solutions Limited for the year ended March 31, 2016

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership No: 203491
Chennai
Date: May 18, 2016

Annexure B to the Independent Auditor's Report to the members of ProConnect Supply Chain Solutions Limited for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ProConnect Supply Chain Solutions Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India ('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 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, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

Annexure B to the Independent Auditor's Report to the members of ProConnect Supply Chain Solutions Limited for the year ended March 31, 2016

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Sethuraman

S Sethuraman
Partner
Membership No: 203491
Chennai
Date: May 18, 2016

ProConnect Supply Chain Solutions Limited
Statement of Audited Financial Results
for the year ended March 31, 2016

(Rs. in lacs)

S. No.	Particulars	Quarter ended			Year ended	Year ended
		31-Mar-16	31-Dec-15	31-Mar-15	31-Mar-16	31-Mar-15
		Balancing figure *		Balancing figure *		
		Audited *	Unaudited	Audited *	Audited	
1 (a)	Net Sales / Income From Operations	3,033.75	3,041.40	2,036.51	11,200.88	7,730.65
(b)	Other Operating Income	0.77	2.34	1.14	4.62	2.02
	Total Income from operations (a) + (b)	3,034.52	3,043.74	2,037.65	11,205.50	7,732.67
2	**Expenditure**					
a.	Cost of materials consumed	-	-	-	-	-
b.	Purchase of Traded Goods	-	-	-	-	-
c.	Changes in inventories	-	-	-	-	-
d.	Employees benefits expense	316.27	338.34	229.22	1,264.70	1,036.73
e.	Depreciation and amortisation expense	65.55	71.16	28.91	216.32	87.36
f.	Rent	492.82	496.76	364.80	1,864.26	1,420.71
g.	Freight	622.56	608.04	557.34	2,465.50	2,235.38
h.	Other expenditure	1,062.20	1,154.17	578.07	3,925.01	2,069.59
	Total	2,559.40	2,668.47	1,758.34	9,735.79	6,849.77
3	**Profit from Operations before other income, finance cost & Exceptional Items (1 - 2)**	475.12	375.27	279.31	1,469.71	882.90
4	Other Income	1.78	0.19	0.97	9.77	4.36
5	Profit from ordinary activities before finance cost & Exceptional Items (3 + 4)	476.90	375.46	280.28	1,479.48	887.26
6	Finance costs	3.57	4.58	-	9.10	0.07
7	Profit from ordinary activities after Interest but Before Exceptional Items (5 - 6)	473.33	370.88	280.28	1,470.38	887.19
8	Exceptional Items	-	-	-	-	-
9	**Profit from ordinary activities before Tax (7+8)**	473.33	370.88	280.28	1,470.38	887.19
10	**Tax Expense**	170.00	129.55	94.08	515.06	288.60
11	**Net Profit from ordinary activities for the Period (9-10)**	303.33	241.33	186.20	955.32	598.59
12	**Extraordinary items (net of tax expense)**	-	-	-	-	-
13	**Net Profit for the period**	303.33	241.33	186.20	955.32	598.59
14	Paid-up Equity Share Capital (Equity Shares of Rs 10 each)	455.00	455.00	455.00	455.00	455.00
15	Reserves Excluding Revaluation Reserves	-	-	-	1,873.46	1,137.19

* Figures for the quarter ended March 31, 2016 and March 31, 2015 are the balancing figures between audited figures in respect of full financial period and the period to date figures upto December 31, 2015 and December 31, 2014 respectively. Also the figures upto December 31, 2015 and December 31, 2014 were only reviewed and not subjected to audit.

Signed for identification purposes only

Sethuraman

B S R & Co. LLP

ProConnect Supply Chain Solutions Limited
Chennai

Notes:

1 The statement of unaudited financial results has been prepared for use in connection with the preparation of consolidated financial statements of the holding company.

2 The above results of the Company were approved by the Board of Directors in their meeting held on May 18, 2016 and have been subjected to an audit by the statutory auditors. An unqualified report has been issued by them thereon.

3 **Statement of Assets and Liabilities**

(Rs. in lakhs)

Particulars	As at 31-Mar-16 (Audited)	As at 31-Mar-15 (Audited)
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	455.00	455.00
(b) Reserves and surplus	1,873.46	1,137.19
Sub-total - Shareholders' funds	**2,328.46**	**1,592.19**
2. Non-current liabilities		
(a) Long-term provisions	118.28	107.49
Sub-total - Non-current liabilities	**118.28**	**107.49**
3. Current liabilities		
(a) Short term borrowings	512.82	-
(b) Trade payables	602.97	400.93
(c) Other current liabilities	229.24	158.15
(d) Short-term provisions	230.60	18.13
Sub-total - Current liabilities	**1,575.63**	**577.21**
TOTAL - EQUITY AND LIABILITIES	**4,022.37**	**2,276.89**
B. ASSETS		
1. Non-current assets		
(a) Fixed assets	799.94	249.65
(b) Deferred tax assets (net)	89.66	38.69
(c) Long term loans and advances	564.33	345.25
Sub-total - Non-current assets	**1,453.93**	**633.59**
2. Current assets		
(a) Trade receivables	2,042.17	1,122.68
(b) Cash and cash equivalents	7.24	118.20
(c) Short term loan and advances	230.38	136.94
(d) Other current assets	288.65	265.48
Sub-total - Current assets	**2,568.44**	**1,643.30**
TOTAL - ASSETS	**4,022.37**	**2,276.89**

for and on behalf of the Board of Directors of
ProConnect Supply Chain Solutions Limited

Place : Chennai
Date : May 18, 2016

Kasturi Rangan E.H
Director

Muthukumaran K
Director

Signed for identification purposes only

B S R & Co. LLP

PROCONNECT SUPPLY CHAIN SOLUTIONS LIMITED

Balance sheet as at 31 March 2016

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	455.00	455.00
Reserves and surplus	3	1,873.46	1,137.19
		2,328.46	**1,592.19**
Non-current liabilities			
Long-term provisions	4	118.28	107.49
		118.28	**107.49**
Current liabilities			
Short-term borrowings	5	512.82	-
Trade payables	6	602.97	400.93
Other current liabilities	7	229.24	158.15
Short-term provisions	4	230.60	18.13
		1,575.63	**577.21**
Total		**4,022.37**	**2,276.89**
ASSETS			
Non-current assets			
Fixed assets			
- Tangible fixed assets	8	792.02	243.02
- Intangible fixed assets	9	7.92	6.63
Deferred tax assets	10	89.66	38.69
Long-term loans and advances	11	564.33	345.25
		1,453.93	**633.59**
Current assets			
Trade receivables	12	2,042.17	1,122.68
Cash and bank balances	13	7.24	118.20
Short-term loan and advances	14	230.38	136.94
Other current assets	15	288.65	265.48
		2,568.44	**1,643.30**
Total		**4,022.37**	**2,276.89**

Significant accounting policies — 1

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/ W-100022

S Sethuraman
Partner
Membership No: 203491
Place: Chennai
Date: May 18, 2016

for and on behalf of the Board of Directors of
ProConnect Supply Chain Solutions Limited

Kasturi Rangan E.H
Director
DIN: 01814089
Place: Chennai
Date: May 18, 2016

Muthukumaran K
Director
DIN: 00432642

PROCONNECT SUPPLY CHAIN SOLUTIONS LIMITED

Statement of profit and loss for the year ended 31 March 2016

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	Note	Year ended 31 March 2016	Year ended 31 March 2015
Revenue			
Revenue from operations	16	11,205.50	7,732.67
Other income	17	9.77	4.36
Total revenue		**11,215.27**	**7,737.03**
Expenses			
Operating expenses	18	5,104.27	3,930.32
Employee benefits	19	1,264.70	1,036.73
Finance costs	20	9.10	0.07
Depreciation and amortisation	21	216.32	87.36
Other expenses	22	3,150.50	1,795.36
Total expenses		**9,744.89**	**6,849.84**
Profit before tax for the period		**1,470.38**	**887.19**
Tax expense			
Current tax		566.03	308.29
Deferred tax benefit		(50.97)	(19.69)
		515.06	**288.60**
Profit after tax for the period		**955.32**	**598.59**
Earnings per equity share	25		
Equity share of nominal value of Rs 10/- each			
Basic and diluted - (Rs)		21.00	13.16
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/ W-100022

S Sethuraman
Partner
Membership No: 203491

Place: Chennai
Date: May 18, 2016

for and on behalf of the Board of Directors of
ProConnect Supply Chain Solutions Limited

Kasturi Rangan E.H
Director
DIN: 01814089

Muthukumaran K
Director
DIN: 00432642

Place: Chennai
Date: May 18, 2016

PROCONNECT SUPPLY CHAIN SOLUTIONS LIMITED

Cash flow statement for the for the year ended 31 March 2016

(All amounts are in Indian Rupees lakhs, except share data and as stated)

		For the year ended 31 March 2016	For the year ended 31 March 2015
Cash flow from operating activities			
Profit before tax		1,470.38	887.19
Adjustments for:			
Finance costs		9.10	0.07
Depreciation and amortisation		216.32	87.36
(Profit)/ loss on sale of fixed assets		(1.67)	3.25
Provision for doubtful receivables		4.05	-
Dividend income from current investments		(2.78)	-
Interest income		(0.26)	(4.36)
Operating cash flow before working capital changes		1,695.14	973.51
Adjustments for:			
Increase in long term and short term provisions		15.51	21.88
Increase/(decrease) in trade payables		202.04	(75.71)
Increase in other current liabilities		71.09	51.37
Increase in trade receivables		(923.54)	(170.50)
Increase in loans and advances		(161.50)	(24.10)
(Increase)/decrease in other current assets		(23.17)	24.29
Cash generated from operations		875.57	800.74
Income tax paid		(646.03)	(340.43)
Net cash provided by operating activities	**(A)**	**229.54**	**460.31**
Cash flow from investing activities			
Purchase of fixed assets (tangible and intangible assets)		(858.38)	(187.88)
Sale of tangible assets		11.12	2.97
Bank deposits (having original maturity of more than three months)		1.21	(1.21)
Interest income		0.26	4.36
Dividend income		2.78	-
Net cash used in investing activities	**(B)**	**(843.01)**	**(181.76)**
Cash flow from financing activities			
Proceeds from short term borrowings (net)		512.82	(187.49)
Interest paid		(9.10)	(0.07)
Net cash provided/(used) by financing activities	**(C)**	**503.72**	**(187.56)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**(109.75)**	**90.99**
Cash and cash equivalents at the beginning of year		116.99	26.00
Cash and cash equivalents at the end of year (refer note below)		**7.24**	**116.99**

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Proconnect Supply Chain Solutions Limited ★ Chennai

PROCONNECT SUPPLY CHAIN SOLUTIONS LIMITED

Cash flow statement for the for the year ended 31 March 2016

(All amounts are in Indian Rupees lakhs, except share data and as stated)

Notes to cash flow statement

Components of cash and cash equivalents

Cash on hand	6.41	5.18
Balances with bank		
- On current accounts	0.83	111.81
	7.24	**116.99**

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/ W-100022

S Sethuraman
Partner
Membership No: 203491

Place: Chennai
Date: May 18, 2016

for and on behalf of the Board of Directors of
ProConnect Supply Chain Solutions Limited

Kasturi Rangan E.H
Director
DIN: 01814089

Muthukumaran K
Director
DIN: 00432642

Place: Chennai
Date: May 18, 2016

PROCONNECT SUPPLY CHAIN SOLUTIONS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees lakhs, except share data and as stated)

Company Overview

ProConnect Supply Chain Solutions Limited ('ProConnect' / 'Company') incorporated on 31 August 2012, is a wholly owned subsidiary of Redington (India) Limited ('Redington'). The Company is engaged in the business of comprehensive Supply Chain Management ('SCM'), providing total logistic solutions services including warehousing management and allied services for various corporate customers.

1 Significant Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 and other pronouncements of Institute of Chartered Accountants of India. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Use of estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilites and the disclosure relating to contingent assets and liabilites as on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates and differences between the actuals results and estimates are recognised in the year where the results are known or materialised.

1.3 Tangible fixed assets

Tangible assets are recorded at cost less accumulated depreciation. Cost comprises of purchase price and other directly attributable cost of bringing the asset to its working condition for the intended use.

Gain or loss arising from de-recognition of tangible assets are measured as the difference between the net proceeds from disposal and carrying amount of the assets and are recognized in the statement of profit and loss account.

Depreciation on Tangible fixed assets

Depreciation on tangible assets is provided on a pro-rata basis on the straight-line method over the estimated useful life of the assets which are lower than the rates prescribed under Schedule II to the Companies Act, 2013. The Company believes that the following useful life best represent the useful lives of the assets based on the internal assessment supported by technical evaluation, wherever necessary.

The useful lives of the assets are:

Class of Asset	Useful life (in years)
Plant and Equipment	5
Furniture and Fixtures	4
Office Equipments	5
Computers	3
Vehicles	5

Depreciation on fixed assets is provided from the month of addition

Individual fixed assets whose cost does not exceed Rs. 5,000/- are fully depreciated in the year of acquisition.

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Proconnect Supply Chain Solutions Limited ★ Chennai

1.4 Intangible fixed assets

Intangible assets are recorded at cost less amortization.

Intangible assets are amortized over the estimated useful economic life on straight line basis.

Class of Asset	Useful life (in years)
Software	3

1.5 Impairment of assets

The Company determines periodically whether there is any indication of impairment of the carrying amount of its assets. The recoverable amount (higher of net selling price and value in use) is determined for an individual asset, unless the asset does not generate cash inflow that are largely independent of those from other assets or group of assets. The recoverable amounts of such asset are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Leases

The Company have entered into cancellable operating lease agreements with respect to its office and warehouses. Accordingly operating lease payments are recognized as an expense in the statement of profit and loss on accrual basis.

1.7 Revenue Recognition

Service income mainly comprises of logistic services, warehousing charges, freight charges and other related charges for rendering supply chain management services to the customers. Service income is recognized based on the terms and agreement entered into with the customers when services are rendered. Unbilled receivables represent services rendered and revenues recognized on contracts to be billed in subsequent periods as per the terms of the related contract.

1.8 Employee benefits

Provisions for / contributions to retirement benefits scheme are made as follows:

(a) Defined contribution plan

(i) Provident Fund:

Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. Contributions to provident fund are charged to the statement profit and loss on accrual basis.

(b) Defined benefit plan

(i) Gratuity

The Company provides for gratuity, a defined benefit retirement Plan (the "Gratuity Plan") covering eligible employees. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities related to the Gratuity Plan are determined by actuarial valuation, carried out at each Balance Sheet date, by an independent actuary using projected unit credit method.

(ii) Compensated absences:

Provision for compensated absences is made on the basis of an actuarial valuation carried out, at each Balance Sheet date, by an independent actuary using projected unit credit method.

Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the statement of profit and loss.

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Proconnect Supply Chain Solutions Limited ★ Chennai

PROCONNECT SUPPLY CHAIN SOLUTIONS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees lakhs, except share data and as stated)

1.9 Taxation

Income-tax expense comprise of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

1.10 Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. The disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

1.11 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period attributable to equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.12 Cash and cash equivalent

Cash comprises of cash on hand and current account with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash.

1.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

BSR & Co. LLP * CHARTERED ACCOUNTANTS *

Proconnect Supply Chain Solutions Limited Chennai *

PROCONNECT SUPPLY CHAIN SOLUTIONS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	As at 31 March 2016	As at 31 March 2015
2. Share Capital		
Authorised		
Equity shares		
4,550,000 (31 March 2015: 4,550,000) equity shares of Rs.10/- each	455.00	455.00
	455.00	**455.00**
Issued, subscribed and fully paid up		
Equity shares		
4,550,000 (31 March 2015: 4,550,000) equity shares of Rs.10/- each fully paid	455.00	455.00
	455.00	**455.00**

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	4,550,000	455.00	4,550,000	455.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**4,550,000**	**455.00**	**4,550,000**	**455.00**

b) Rights, preferences and restrictions on equity shares

The Company has a single class of equity shares of par value of Rs.10/- per share. Accordingly, all equity shares rank equally with regard to dividends. The equity shareholders are entitled to receive dividend as may be declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Equity shares held by holding Company

	As at 31 March 2016		As at 31 March 2015	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10/- each paid up held by Redington (India) Limited and its nominees	4,550,000	455.00	4,550,000	455.00

d) Particulars of shareholders holding more than 5% equity shares in the company

Name of Shareholder	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of Rs. 10/- each paid up held by Redington (India) Limited, the holding company and its nominees	4,550,000	100%	4,550,000	100%

B S R & Co. LLP * CHARTERED ACCOUNTANTS *

Proconnect Supply Chain Solutions Limited * Chennai

PROCONNECT SUPPLY CHAIN SOLUTIONS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees lakhs, except share data and as stated)

3. Reserves and surplus	**As at 31 March 2016**	**As at 31 March 2015**
Surplus balance in the statement of profit and loss		
Opening balance	1,137.19	538.60
Add: Profit for the year	955.32	598.59
Less: Appropriations		
Proposed dividend (Rs. 4 per share of face value of Rs.10 (Previous year - Rs.Nil))	182.00	-
Tax on proposed dividend	37.05	-
	1,873.46	**1,137.19**

4. Provisions

	Long-term		Short-term	
	As at 31 March 2016	**As at 31 March 2015**	**As at 31 March 2016**	**As at 31 March 2015**
Provision for employee benefits				
Gratuity (refer note 26)	87.36	74.64	8.60	4.45
Compensated absenses	30.92	32.85	2.95	2.38
Other provisions				
Proposed dividend	-	-	182.00	-
Tax on proposed dividend	-	-	37.05	-
Provision for taxation (net of advance tax)	-	-	-	11.30
	118.28	**107.49**	**230.60**	**18.13**

5. Short-term borrowings		
Secured		
Cash Credit facilities from banks (refer note below)	512.82	-
	512.82	-

Note: Cash credit facilities from banks carrying interest at 11% p.a., computed on a daily basis on the actual amount utilised, are repayable on demand. These are secured by the hypothecation of book debts, both present and future.

6. Trade payables		
Dues to micro, small and medium enterprises (refer note 28)	-	-
Dues to others	602.97	400.93
	602.97	**400.93**

7. Other current liabilities		
Employee benefits payable	167.38	71.53
Statutory dues payable	53.20	45.05
Other current liabilities	8.66	41.57
	229.24	**158.15**

BSR & Co. LLP * CHARTERED ACCOUNTANTS *

Proconnect Supply Chain Solutions Limited * Chennai

PROCONNECT SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the financial statement for the year ended 31 March 2016

(All amounts are in Indian Rupees lakhs, except share data and as stated)

8. Tangible fixed assets

Particulars	Plant and equipment	Furnitures and fixtures	Office equipment	Computer	Vehicles	Total
Gross Block						
Balance as at 1 April 2014	61.32	51.95	26.41	74.19	16.93	230.80
Additions	29.99	28.54	35.75	62.63	21.58	178.49
Deletions	5.22	6.13	-	0.60	-	11.95
Balance as at 31 March 2015	**86.09**	**74.36**	**62.16**	**136.22**	**38.51**	**397.34**
Balance as at 1 April 2015	86.09	74.36	62.16	136.22	38.51	397.34
Additions	167.56	243.51	143.09	195.99	22.10	772.25
Deletions	0.88	-	0.18	-	9.95	11.01
Balance as at 31 March 2016	**252.77**	**317.87**	**205.07**	**332.21**	**50.66**	**1,158.58**
Accumulated depreciation						
Balance as at 1 April 2014	23.80	9.90	8.89	31.05	1.80	75.44
Additions	22.35	10.34	15.48	31.50	4.94	84.61
On deletion	3.06	2.49	-	0.18	-	5.73
Balance as at 31 March 2015	**43.09**	**17.75**	**24.37**	**62.37**	**6.74**	**154.32**
Balance as at 1 April 2015	43.09	17.75	24.37	62.37	6.74	154.32
Additions	47.18	54.35	30.75	72.77	8.75	213.80
On deletion	0.45	-	0.01	-	1.10	1.56
Balance as at 31 March 2016	**89.82**	**72.10**	**55.11**	**135.14**	**14.39**	**366.56**
Net Block						
As at 31 March 2015	**43.00**	**56.61**	**37.79**	**73.85**	**31.77**	**243.02**
As at 31 March 2016	**162.95**	**245.77**	**149.96**	**197.07**	**36.27**	**792.02**

9. Intangible fixed assets

Particulars	Software	Total
Gross Block		
Balance as at 1 April 2014	19.42	19.42
Additions	-	-
Deletions	-	-
Balance as at 31 March 2015	**19.42**	**19.42**
Balance as at 1 April 2015	19.42	19.42
Additions	3.81	3.81
Deletions		
Balance as at 31 March 2016	**23.23**	**23.23**
Accumulated amortization		
Balance as at 1 April 2014	10.04	10.04
Additions	2.75	2.75
On deletion	-	-
Balance as at 31 March 2015	**12.79**	**12.79**
Balance as at 1 April 2015	12.79	12.79
Additions	2.52	2.52
On deletion		
Balance as at 31 March 2016	**15.31**	**15.31**
Net Block		
As at 31 March 2015	**6.63**	**6.63**
As at 31 March 2016	**7.92**	**7.92**

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Proconnect Supply Chain Solutions Limited * Chennai

(All amounts are in Indian Rupees lakhs, except share data and as stated)

10. Deferred tax assets	As at 31 March 2016	As at 31 March 2015
Significant components of deferred tax assets/liabilities are as below:		
Deferred tax assets		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts	(7.44)	6.91
Provisions for employee benefits	97.01	31.61
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	0.09	0.17
Deferred tax Assets	**89.66**	**38.69**

11. Long term loans and advances

	Non-current portion		Current portion	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
To parties other than related parties				
Security deposits (unsecured)	312.62	225.76	159.93	108.93
Capital Advance	91.71	9.39	-	-
	404.33	**235.15**	**159.93**	**108.93**
Other loans and advances				
(Unsecured and considered good)				
Advance tax (net of provisions)	160.00	91.30	-	-
	160.00	**91.30**	-	-
To related parties				
(Unsecured, considered good)				
Security deposits to Redington India Limited, the holding company	-	18.80	-	-
		18.80	-	-
	564.33	**345.25**	**159.93**	**108.93**

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Proconnect Supply Chain Solutions Limited ★ Chennai

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	As at 31 March 2016	As at 31 March 2015
12. Trade receivables		
Receivables outstanding for a period exceeding six months from the date they became due for payment		
- Unsecured, considered good	14.16	5.83
- Unsecured, considered doubtful	4.05	-
Provision for doubtful receivables	(4.05)	-
	14.16	5.83
Other receivables		
- Unsecured, considered good	2,028.01	1,116.85
	2,042.17	**1,122.68**
13. Cash and bank balances		
Cash and cash equivalents		
Cash on hand	6.41	5.18
Balances with banks		
On current accounts	0.83	111.81
Other bank balances	-	1.21
	7.24	**118.20**
Particulars		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	-	-
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	-	1.21
	-	**1.21**
14. Short-term loans and advances		
Current portion of long-term loans and advances (refer note 11)		
To parties other than related parties	159.93	108.93
Other short term loans and advances		
To parties other than related parties		
Unsecured and considered good		
Cenvat credit receivable	28.88	3.03
Prepaid expenses	17.59	8.15
Others	23.98	16.83
	230.38	**136.94**
15. Other current assets		
Unsecured, considered good		
Unbilled revenue	288.65	265.48
	288.65	**265.48**

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Proconnect Supply Chain Solutions Limited * Chennai

PROCONNECT SUPPLY CHAIN SOLUTIONS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	For the year ended 31 March 2016	For the year ended 31 March 2015
16. Revenue from operations		
Income from supply chain management services	11,200.88	7,730.65
Other operating revenue		
Sale of scrap	4.62	2.02
	11,205.50	**7,732.67**
17. Other Income		
Interest income	0.26	4.36
Profit on sale of fixed assets	1.67	-
Dividend income from current investments	2.78	-
Miscellaneous income	5.06	-
	9.77	**4.36**
18. Operating expenses		
Freight charges	2,465.50	2,235.38
Rent	1,864.26	1,420.71
Packing expense	599.82	197.83
Warehouse handling charges	174.69	76.40
	5,104.27	**3,930.32**
19. Employee benefits		
Salaries, wages and bonus	1,097.28	878.10
Contribution to provident fund and other funds	63.59	54.07
Staff welfare expenses	103.83	104.56
	1,264.70	**1,036.73**

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Proconnect Supply Chain Solutions Limited * Chennai

PROCONNECT SUPPLY CHAIN SOLUTIONS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	For the year ended 31 March 2016	For the year ended 31 March 2015
20. Finance cost		
Interest expense	9.10	0.07
	9.10	**0.07**
21. Depreciation and amortisation		
- Tangible fixed assets (refer note 8)	213.80	84.61
- Intangible fixed assets (refer note 9)	2.52	2.75
	216.32	**87.36**
22. Other expenses		
Traveling and conveyance	103.77	91.93
Outsourced manpower cost	1,477.65	626.67
Electricity charges	137.19	90.14
Bank charges	1.31	0.35
Sales promotion and advertisement	6.70	4.22
Insurance	3.97	3.94
Legal and professional fees (refer note 24)	195.05	133.14
Corporate social responsibility expense (refer note 33)	11.51	7.92
Communication	157.93	139.11
Repairs and maintenance	365.94	288.57
Rates and taxes	108.27	61.98
Security charges	406.94	261.49
Printing and stationery	144.60	63.36
Provision for bad and doubtful debt	4.05	-
Loss on sale of fixed assets	-	3.25
Miscelleneuous expenses	25.62	19.29
	3,150.50	**1,795.36**

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PROCONNECT SUPPLY CHAIN SOLUTIONS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees lakhs, except share data and as stated)

23. Contingent liabilities and commitments	**For the year ended 31 March 2016**	**For the year ended 31 March 2015**
(i) Contingent liabilities		
Guarantees outstanding	151.88	75.40
(ii) Commitments:		
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	29.41	10.45

24. Auditors' remuneration (exclusive of service tax) included in legal and professional fees

Statutory audit fee	2.50	2.50
Tax audit fee	0.75	0.75
Other fees	1.75	1.75
Reimbursement of expenses	0.52	0.41
	5.52	**5.41**

25. Earnings per share

The computation of earnings per share is set out below.

Profit attributable to equity share holders	955.32	598.59
Weighted average number of equity shares outstanding during the period (Nos.) of Rs. 10/- each	4,550,000	4,550,000
Earning per share (Rs) - Basic and Diluted	**21.00**	**13.16**

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PROCONNECT SUPPLY CHAIN SOLUTIONS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	For the year ended 31 March 2016	For the year ended 31 March 2015
26. Employee benefits - Defined benefit plan (Gratuity)		
The actuarial valuation as at the year end is given below:		
Present value of obligations	95.96	79.09
Liability recognised in the balance sheet	**95.96**	**79.09**
Movement in present value of defined benefit obligations:		
Defined benefit obligations at the beginning of the year	79.09	63.69
Current service cost	13.09	11.47
Interest cost	6.34	4.94
Benefits settled	(4.04)	(7.01)
Actuarial (gain)/ loss	1.48	6.00
Defined benefit obligation as at the end of the year	**95.96**	**79.09**
Expense recognised in statement of profit and loss:		
Current service cost	13.09	11.47
Interest cost	6.34	4.94
Net actuarial (gain)/ loss recognised in the year	1.48	6.00
Total, included in "Employee benefit expense"	**20.91**	**22.41**
Classification into current / non-current		
Classified as long-term provision	87.36	74.64
Classified as short-term provision	8.60	4.45
Principal actuarial assumptions:		
Discount rate	8.00%	7.75%
Retirement age	60 Years	60 Years
Future salary increases	5.0%	5.0%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

27. Lease

The Company has taken cancellable operating leases for office premises, and warehouses, which are renewable at the option of the Company. Total rental expense under cancellable leases amounted to Rs. 1,864.26 (31 March 2015 : Rs. 1,420.71).

28. Due To Micro, Small And Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 02, 2006, certain disclosures are required to be made relating to dues to micro, small and medium enterprises (MSME). On the basis of the information and records available with the management, none of the Company's suppliers are covered under the MSMED and accordingly, disclosure of information relating to principal, interest accruals and payments are not applicable.

29. Employee share based payment

Pursuant to a Business Transfer Agreement entered into between the Company and Redington (India) Limited (the holding company) / ('Redington') on 30 October 2012, certain employees of Redington were transferred to the Company. These erstwhile employees of Redington had been granted stock options in two tranches in respect of the shares of Redington before such transfer. There has been no recharge of compensation cost by the parent company to the Company. The Guidance note on Accounting of employee share based payments issued by Institute of Chartered Accountants of India ('ICAI') also covers such share based payments and requires the Company to account for employee share based payment plans in respect of grants made on or after 1 April 2005. The parent follows the intrinsic value method to account for the compensation cost. Since all the stock options have been granted at the fair value on the date of the grant, no compensation cost is recorded in respect of such options. Also, the options are subject to progressive vesting generally over three year period from the date of grant. The summary of option is as follows:

No. of options granted, exercised and forfeited	Year ended 31 March 2016		Year ended 31 March 2015	
	Grant I	Grant II	Grant I	Grant II
Options outstanding at the beginning of the year	-	3,400	3,000	5,100
Options granted during the period	-	-	-	-
Total	-	3,400	3,000	5,100
Exercised during the year	-	150	3,000	1,700
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding as at the end of the year	-	3,250	-	3,400
Vested and Exercisable at the end of the year	-	3,250	-	3,400
Exercise Price - (Rs.)	130	396.50	130	396.50

Proforma Disclosure under ESOP:

In accordance with Guidance Note, had the compensation cost for stock option plans been recognized in the statement of profit and loss based on the fair value at the date of grant in accordance with Black Scholes model, the proforma amounts of the Company's net profit and earnings per share would have been as follows:

(Rs in lakhs)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Net profit – as reported	955.32	598.59
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	-	-
Less: Employee Stock Compensation Expense as per Fair Value Method	-	0.50
Proforma net profit	**955.32**	**605.99**
Weighted average number of shares – Basic and diluted	4,550,000	4,550,000
Basic and diluted earnings per share – reported	21.00	15.08
Basic and diluted earnings per share – proforma	21.00	13.32

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Proconnect Supply Chain Solutions Limited * Chennai

PROCONNECT SUPPLY CHAIN SOLUTIONS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees lakhs, except share data and as stated)

30. Related party disclosure

a) **Name and relationship of related parties with whom transactions were entered into during the period:**

Relationship	Names of related parties
Holding Company	Redington (India) Limited
Fellow Subsidiaries	Nook Micro Distribution Limited (Merged with Redington (India) Limited w.e.f April 1, 2015)
	Cadensworth (India) Limited
	Ensure Support Services (india) Limited
Key managerial personnel	Mr. Kasturi Rangan E.H. - Director
	Mr. Muthukumaran K - Director
	Mr. Stephen Aranha - Director

b) **Summary of significant transactions with related parties**

Nature / Item	Name of related parties	31-Mar-16	31-Mar-15
A. Transactions during the year			
i) Purchases of goods and services			
Purchase of Assets	Redington (India) Limited	-	9.00
Purchase of Spares	Ensure Support Services India Limited	0.43	0.23
Rental Expenses	Redington (India) Limited	369.95	240.62
Service charges	Redington (India) Limited	84.75	169.98
Interest expense	Redington (India) Limited	2.21	-
ERP and Support Cost	Redington (India) Limited	9.31	-
Entry Tax	Redington (India) Limited	2.26	-
ERP and Support Cost	Nook Micro Distribution Limited	-	9.44
Entry Tax	Nook Micro Distribution Limited	-	2.08
Warehouse Charges	Nook Micro Distribution Limited	-	0.45
Purchase of Assets	Nook Micro Distribution Limited	-	0.39
ii) Service Income			
Income from supply chain management services	Cadensworth (India) Limited	279.74	228.61
Income from supply chain management services	Nook Micro Distribution Limited	-	172.83
Income from supply chain management services	Redington (India) Limited	5,495.81	5,122.38
Reimbursement of expense	Cadensworth (India) Limited	7.72	6.28
Reimbursement of expense	Redington (India) Limited	2.38	-
Income from supply chain management services	Ensure Support Services India Limited	1.42	-
Rental Income	Ensure Support Services India Limited	2.35	-
iii) Sale proceeds from sale of asset	Cadensworth (India) Limited	-	2.52
iv) Loan taken	Redington (India) Limited	1,575.00	-
v) Loan repaid	Redington (India) Limited	1,575.00	-
vi) Deposits repaid	Redington (India) Limited	18.80	-
vii) Proposed dividend	Redington (India) Limited	182.00	

BSR & Co. LLP Chartered Accountants

Proconnect Supply Chain Solutions Limited Chennai

(All amounts are in Indian Rupees lakhs, except share data and as stated)

Nature / Item	Name of related parties	31-Mar-16	31-Mar-15
viii) Sitting fee to Directors	Mr. Kasturi Rangan E.H.	0.40	0.40
	Mr. Muthukumaran K	0.30	0.30
	Mr. Stephen Aranha	0.40	0.40

Nature / Item	Name of related parties	31-Mar-16	31-Mar-15
B. Balances as at year end			
i) Accounts receivable	Redington (India) Limited	837.67	621.78
	Cadensworth (India) Limited	29.54	32.20
ii) Accounts payable			
Other expenses payable	Redington (India) Limited	27.94	30.98
	Ensure Support Services India Limited	-	0.01
iii) Dividend payable	Redington (India) Limited	182.00	-
iv) Other receivable			
Rental Deposit	Redington (India) Limited	-	18.80

31. Segment reporting

a) Primary segment information (by business segment)
The company is engaged in only one business namely supply chain management services and accordingly there are no separate reportable segments according to Accounting Standard 17 - 'Segment Reporting' issued under the Companies (Accounting Standards) Rules, 2006.

b) Secondary segment reporting (by geographical segments)
The Company caters only to need of domestic market. Hence there are no reportable geographical segments.

32. Transfer Pricing

The Company has entered into transactions with certain related parties during the period under audit. The management believes that all such transactions are in compliance with the provisions of Income-tax Act, 1961 and also confirms that it maintains documentation as prescribed, to prove that the transactions are at arm's length. Further, management also believes the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

33. Corporate Social Responsibility ("CSR") Expenditure

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. The details relating to the same are as follows:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Gross amount required to be spent by the Company during the year	11.51	7.92
Amount incurred during the year - included under "Note 22 - Other expenses"	11.51	7.92

B S R & Co. LLP Chartered Accountants
Proconnect Supply Chain Solutions Limited Chennai

34. Prior period comparatives

Previous year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/ W-100022

S Sethuraman
Partner
Membership No: 203491

Place: Chennai
Date: May 18, 2016

for and on behalf of the Board of Directors of
ProConnect Supply Chain Solutions Limited

Kasturi Rangan E.H
Director
DIN: 01814089

Muthukumaran K
Director
DIN: 00432642

Place: Chennai
Date: May 18, 2016

B S R & Co. LLP
Chartered Accountants

No 10, Mahatma Gandhi Road
Nungambakkam
Chennai - 600 034, India

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Independent Auditors' Report
To the Members of Ensure Support Services (India) Limited

Report on the financial statements

We have audited the accompanying financial statements of **Ensure Support Services (India) Limited** ("the Company"), which comprise the balance sheet as at March 31, 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. As required by Section 143(3) of the Act, we report 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.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Independent Auditors' Report
To the Members of Ensure Support Services (India) Limited

(e) On the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2016 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

(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, in our opinion and to the best of our information and according to the explanations given to us:

i The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 27 to the financial statements.

ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership No: 203491
Chennai
Date: May 19, 2016

Annexure A to the Independent Auditor's Report to the members of Ensure Support Services (India) Limited for the year ended March 31, 2016

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified over a defined period of time. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.

(b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register required under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) The Company does not have any loan, investment, guarantees and security which requires compliance under Sections 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for sale of goods and the services rendered by the Company.

Annexure A to the Independent Auditor's Report to the members of Ensure Support Services (India) Limited for the year ended March 31, 2016

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax and other material statutory dues have been generally deposited regularly during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax and any other material statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax and duty of custom which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of outstanding loans or borrowings to its bankers. The Company did not have any outstanding loans or borrowings to any financial institution and government or dues to debenture holders during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

(x) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals required under section 197 read with Schedule V of the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

Annexure A to the Independent Auditor's Report to the members of Ensure Support Services (India) Limited for the year ended March 31, 2016

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Sethuraman
S.

S Sethuraman
Partner
Membership No: 203491
Chennai
Date: May 19, 2016

Annexure B to the Independent Auditor's Report to the members of Ensure Support Services (India) Limited for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Ensure Support Services (India) Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India ('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 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, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

Annexure B to the Independent Auditor's Report to the members of Ensure Support Services (India) Limited for the year ended March 31, 2016

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership No: 203491
Chennai
Date: May 19, 2016

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Balance sheet as at March 31, 2016

(All amounts are in Indian Rupees except share data and as stated)

	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	45,000,000	20,500,000
Reserves and surplus	4	78,558,156	48,034,697
		123,558,156	**68,534,697**
Non-current liabilities			
Long-term provisions	5	25,602,674	29,654,666
		25,602,674	**29,654,666**
Current liabilities			
Short-term borrowings	6	85,561,875	79,500,000
Trade payables	7	212,340,449	317,340,300
Other current liabilities	8	321,881,941	142,448,012
Short-term provisions	5	1,761,555	1,376,636
		621,545,820	**540,664,948**
Total		**770,706,650**	**638,854,311**
ASSETS			
Non-current assets			
Fixed assets			
- Tangible fixed assets	9	31,674,394	34,689,654
- Intangible assets	10	1,984,210	3,594,115
Non-current investments	11	20,000	20,000
Deferred tax assets (net)	12	23,099,666	11,723,149
Long-term loans and advances	13	25,650,997	32,241,997
Other non-current assets	14	2,286,700	1,650,500
		84,715,967	**83,919,415**
Current assets			
Inventories	15	48,766,368	50,864,513
Trade receivables	16	282,373,236	314,436,056
Cash and bank balances	17	149,962,742	25,157,609
Short-term loan and advances	18	86,621,176	53,777,005
Other current assets	19	118,267,161	110,699,713
		685,990,683	**554,934,896**
Total		**770,706,650**	**638,854,311**
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/ W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date: May 19, 2016

For and on behalf of the board of directors
Ensure Support Services (India) Limited

S. V. R

S V Rao
Whole Time Director
DIN: 06600739

Place: Chennai
Date: May 19, 2016

Stephen Aranha
Director
DIN: 05353656

ENSURE SUPPORT SERVICES (INDIA) LIMITED CHENNAI 600 032

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Statement of profit and loss for the year ended March 31, 2016

(All amounts are in Indian Rupees except share data and as stated)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue			
Revenue from operations	20	1,292,510,944	1,223,760,940
Other income	21	28,584,600	326,840
Total		**1,321,095,544**	**1,224,087,780**
Expenses			
Cost of spares consumed	22	361,652,038	335,224,940
Employee benefits	23	291,186,131	284,670,835
Finance costs	24	10,138,928	5,855,859
Depreciation and amortisation	25	14,400,844	12,799,550
Other expenses	26	596,570,661	518,967,523
Total		**1,273,948,602**	**1,157,518,707**
Profit before tax for the year		**47,146,942**	**66,569,073**
Tax expense			
Current tax		28,000,000	27,000,000
Deferred tax		(11,376,517)	(4,409,876)
		16,623,483	**22,590,124**
Profit after tax for the year		**30,523,459**	**43,978,949**
Earnings per equity share	38		
Equity share of nominal value of Rs.10 /- each			
Basic and diluted - (Rs)		7.70	21.45
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/ W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date: May 19, 2016

For and on behalf of the board of directors
Ensure Support Services (India) Limited

S V Rao
Whole Time Director
DIN: 06600739

Stephen Aranha
Director
DIN: 05353656

Place: Chennai
Date: May 19, 2016

ENSURE SUPPORT SERVICES (INDIA) LIMITED
CHENNAI
600 032

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Cash flow statement for the for the year ended 31 March 2016

(All amounts are in Indian Rupees except share data and as stated)

		For the year ended 31 March 2016	For the year ended 31 March 2015
Cash flows from operating activities			
Profit before tax		47,146,942	66,569,073
Adjustments for:			
Depreciation and amortisation		14,400,844	12,799,550
Provision for doubtful debts		26,647,636	2,297,775
(Profit) / Loss on sale of fixed assets		(455,029)	892,027
Interest expense		10,138,928	5,855,859
Interest income		(403,194)	(326,840)
Operating cashflow before working capital changes		97,476,127	88,087,444
Adjustments for:			
Increase / (decrease) in long term and short term provisions		(3,154,687)	30,518,916
Increase / (decrease) in trade payables		(104,999,851)	316,136,843
Increase / (decrease) in other current liabilities		179,433,929	141,082,790
(Increase) / decrease in trade receivables		5,415,184	(316,733,831)
(Increase) / decrease in loans and advances		(18,070,267)	(81,351,133)
(Increase) / decrease in other current assets		(7,567,448)	(110,694,397)
(Increase) / decrease in inventories		2,098,145	(50,864,513)
Cash generated from operations		150,631,132	16,182,119
Income taxes paid (net)		(36,695,290)	(26,487,614)
Net cash provided/used by operating activities	**(A)**	**113,935,842**	**(10,305,495)**
Cash flow from investing activities			
Purchase of fixed assets		(13,228,540)	(54,291,068)
Proceeds from sale of fixed assets		3,907,890	682,207
Proceeds from short term borrowings (net)		6,061,875	79,500,000
Bank deposits (having original maturity of more than 3 months)		4,361,767	(6,750,967)
Interest received		403,194	326,840
Net cash flow used by investing activities	**(B)**	**1,506,186**	**19,467,012**
Cash flow from financing activities			
Proceed from issue of equity shares		24,500,000	-
Interest paid		(10,138,928)	(5,855,859)
Net cash provided/used by financing activities	**(C)**	**14,361,072**	**(5,855,859)**
Net increase in cash and cash equivalents	**(A+B+C)**	**129,803,100**	**3,305,658**
Cash and cash equivalents at the beginning of the year		19,277,142	15,971,484
Cash and cash equivalents at the end of the year(refer note below)		**149,080,242**	**19,277,142**

B S R & Co. LLP ★ CHARTERED ACCOUNTANTS ★

ENSURE SUPPORT SERVICES (INDIA) LIMITED ★ CHENNAI 600 032

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Cash flow statement for the for the year ended 31 March 2016

(All amounts are in Indian Rupees except share data and as stated)

Notes to cash flow statement

	For the year ended 31 March 2016	For the year ended 31 March 2015
Components of cash and cash equivalents:		
Cash on hand	831,094	682,518
Balances with banks		
On current accounts	28,249,148	18,103,227
On deposit accounts (with original maturity of 3 months or less)	120,000,000	491,397
	149,080,242	**19,277,142**

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/ W-100022

For and on behalf of the board of directors
Ensure Support Services (India) Limited

S. V. R

S Sethuraman
Partner
Membership No. 203491

S V Rao
Whole Time Director
DIN: 06600739

Stephen Aranha
Director
DIN: 05353656

Place: Chennai
Date: May 19, 2016

Place: Chennai
Date: May 19, 2016

ENSURE SUPPORT SERVICES (INDIA) LIMITED
CHENNAI
600 032

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2016

(All amounts are in Indian Rupees except share data and as stated)

1 Company Overview

Ensure Support Services (India) Limited ('Ensure' / 'Company') was incorporated on June 27, 2013. The Company is a wholly owned subsidiary of Redington (India) Limited ('Redington'). The Company is engaged in the business of providing warranty and post warranty services, annual maintenance contract services, on-site support services and other related services.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 and other pronouncements of Institute of Chartered Accountants of India. The financial statements have been prepared on accrual basis under the historical cost convention.

2.2 Use of estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosure relating to contingent assets and liabilities as on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates and differences between the actuals results and estimates are recognised in the year where the results are known or materialised.

2.3 Revenue recognition

Revenue from rendering of services is recognised as and when services are rendered and in accordance with the terms of agreement with the customers. Revenue from maintenance contract is considered on annuity basis proportionately over the period of the contract. Unbilled revenue represents services rendered and revenue is recognised on contracts to be billed in subsequent periods as per the terms of the related contract.

Revenue from sale of goods is recognised when property in goods or all significant risk and rewards of ownership is transferred to the customer.

Revenue is recognised when no significant uncertainty exists regarding the collection of the consideration. The amount recognised as revenue is exclusive of sales tax, value added tax and service tax and net of returns.

2.4 Other income

Interest income is recognised on the time proportion basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists. Interest income on overdue receivables is recognised only when there is a certainty of receipt.

2.5 Tangible fixed assets

Tangible fixed assets are recorded at cost less accumulated depreciation. Cost comprises of purchase price and other directly attributable cost of bringing the asset to its working condition for the intended use.

Profit or loss arising from sale of tangible assets are measured as the difference between the net proceeds from disposal and carrying amount of the assets and are recognised in the statement of profit and loss.

B S R & Co. LLP * CHARTERED ACCOUNTANTS *

ENSURE SUPPORT SERVICES (INDIA) LIMITED ★ CHENNAI 600 032

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2016

(All amounts are in Indian Rupees except share data and as stated)

2.6 Depreciation on tangible fixed assets

Depreciation on tangible assets is calculated on pro-rata basis on the straight line method over the estimated useful life of the assets which are lower than the life prescribed under Schedule II to the Companies Act, 2013. The company believes that the following useful life best represents the useful life of the assets based on the internal assessment supported by technical evaluation wherever necessary. The useful life of the assets are as follows:

Class of Asset	Useful lives (in years)
Plant and machinery and equipment	5
Computer and accessories	3
Furnitures and fixtures	4
Vehicles	5

Depreciation on fixed assets is provided from the month of addition.

Individual fixed assets whose cost does not exceed Rs. 5,000/- are fully depreciated in the year of acquisition.

2.7 Intangible assets and amortisation

Intangible assets are recorded at cost less amortization.

Intangible assets are amortized over the estimated useful economic life on straight line basis.

Class of Asset	Useful lives (in years)
Software	3

2.8 Impairment

The company determines periodically whether there is any indication of impairment of the carrying amount of its assets. The recoverable amount (higher of net selling price and value in use) is determined for an individual asset, unless the asset does not generate cash inflow that are largely independent of those from other assets or group of assets. The recoverable amounts of such asset are estimated, if any indication exists and impairment loss is recognised wherever the carrying amount of the asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2.9 Inventories

Inventories are stated at lower of cost and net realisable value. Costs includes cost of inventories comprise all cost of purchase and other cost incurred in brining the inventories to the present location and condition, net of discounts. In determining the cost, weighted average cost method is adopted. Net realizable value is the estimated value of inventory in the ordinary course of business less the estimated cost of services. It is estimated that the cost of such inventory will always exceed their net realisable value.

2.10 Investments

Long-term investments are stated at cost less any other-than-temporary diminution in value, determined separately for each individual investment. Current investments are carried at the lower of cost and fair value.

2.11 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognised in the statement of profit and loss.

BSR & Co. LLP ★ CHARTERED ACCOUNTANTS ★

ENSURE SUPPORT SERVICES (INDIA) LIMITED ★ CHENNAI 600 032

2.12 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease payments under operating leases are recognised in the statement of profit and loss on a straight line basis over the lease term.

2.13 Employee benefits

Provisions for / contributions to retirement benefits scheme are made as follows:

(a) *Defined contribution plan*

Provident fund: Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company's contribution to the Employees' Provident Fund scheme maintained by the Central Government is charged to the statement of profit and loss on accrual basis.

(b) *Defined benefit plan*

Gratuity: The Company provides for gratuity, a defined benefit retirement Plan (the "Gratuity Plan") covering eligible employees. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities related to the Gratuity Plan are determined by actuarial valuation, carried out at each Balance Sheet date, by an independent actuary using projected unit credit method.

Compensated absences: Provision for compensated absences is made on the basis of an actuarial valuation carried out, at each Balance Sheet date, by an independent actuary using projected unit credit method.

Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the statement of profit and loss.

2.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period attributable to equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.15 Taxation

Income-tax expense comprise of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is a reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

B S R & Co. LLP
CHARTERED ACCOUNTANTS

ENSURE SUPPORT SERVICES (INDIA) LIMITED
CHENNAI
600 032

2.16 Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. The disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

B S R & Co. LLP CHARTERED ACCOUNTANTS

ENSURE SUPPORT SERVICES (INDIA) LIMITED CHENNAI 600 032

(All amounts are in Indian Rupees except share data and as stated)

	As at March 31, 2016	As at March 31, 2015
3 Share capital		
Authorised		
4,500,000 (March 31, 2015: 2,050,000) equity shares of Rs.10 each	45,000,000	20,500,000
Issued, subscribed and paid up		
4,500,000 (March 31, 2015: 2,050,000) equity shares of Rs.10 each fully paid up	45,000,000	20,500,000

a) Reconciliation of the shares outstanding at the beginning and at the end of the year is as under:

	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	2,050,000	20,500,000	2,050,000	20,500,000
Add: Shares issued during the year	2,450,000	24,500,000	-	-
Balance at the end of the year	**4,500,000**	**45,000,000**	**2,050,000**	**20,500,000**

b) Terms / rights attached to equity shares

The Company has a single class of equity shares of par value of Rs.10/- per share. Accordingly, all equity shares rank equally with regard to dividends. The equity shareholders are entitled to receive dividend as may be declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year ended 31 March 2016, the Company has not declared any dividend.

c) Equity shares held by holding company

	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each paid up capital held by Redington (India) Limited and its nominees	4,500,000	45,000,000	2,050,000	20,500,000

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Percentage	No. of shares	Amount
Equity shares of Rs. 10 each paid up capital held by Redington (India) Limited and its nominees	4,500,000	100%	2,050,000	100%

4 Reserves and surplus

Surplus in statement of profit and loss		
Balance as at the beginning of the year	48,034,697	(2,825,402)
Profit for the year	30,523,459	43,978,949
Deferred tax on account of transfer of liability in relating to employee benefits	-	6,881,150
Balance as at the end of the year	78,558,156	48,034,697

B S R & Co. LLP ★ CHARTERED ACCOUNTANTS ★

ENSURE SUPPORT SERVICES (INDIA) LIMITED ★ CHENNAI 600 032

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2016

(All amounts are in Indian Rupees except share data and as stated)

	Long-term		Short-term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
5 Provisions				
Provision for employee benefits:				
Provision for gratuity	21,998,529	24,909,898	1,361,095	614,525
Provision for compensated absences	3,604,145	4,744,768	400,460	249,725
Other provisions				
Provision for taxation (net of advance tax)	-	-	-	512,386
	25,602,674	**29,654,666**	**1,761,555**	**1,376,636**

6 Short-term borrowings

	As at March 31, 2016	As at March 31, 2015
Secured		
Cash credit from bank (refer note a)	35,561,875	-
Working capital demand loan from bank (refer note a)	50,000,000	-
Unsecured		
Loan from Holding Company (refer note b)	-	79,500,000
	85,561,875	**79,500,000**

Note:

a) Cash credit facility and working capital demand loan carries interest ranging between 9.25% to 9.75% per annum. These are secured by hypothecation of stocks and book debts and letter of awareness issued by the Holding Company.

b) The rate of interest in respect of the loan from Holding Company was in the range of 7.40% to 10.25% per annum. The tranches are repayable on terms ranging from 7 - 60 days.

7 Trade payables

	As at March 31, 2016	As at March 31, 2015
Dues to micro, small and medium enterprises (refer note 34)	-	-
Others	212,340,449	317,340,300
	212,340,449	**317,340,300**

8 Other current liabilities

	As at March 31, 2016	As at March 31, 2015
Employees benefits payable	34,268,546	23,730,304
Advances from customers	14,009,948	32,961,738
Income received in advance	63,249,829	62,598,510
Statutory dues payable	8,602,131	8,539,240
Insurance claim payable to vendors	182,411,495	-
Other liabilities	19,339,992	14,618,220
	321,881,941	**142,448,012**

B S R & Co. LLP ★ CHARTERED ACCOUNTANTS ★

ENSURE SUPPORT SERVICES (INDIA) LIMITED ★ CHENNAI 600 032

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Notes to financial statements for the period ended March 31, 2016

(All amounts are in Indian Rupees, except share data or as stated)

9 Tangible fixed assets

Particulars	Plant and machinery and equipment	Computer and accessories	Furnitures and fixtures	Vehicles	Total
Gross Block					
Balance as at April 1, 2014	10,200	949,200	-	-	959,400
Additions	13,829,208	10,097,238	17,696,775	4,917,261	46,540,482
Deletions	203,840	12,139	1,521,102	205,841	1,942,922
Balance as at March 31, 2015	**13,635,568**	**11,034,299**	**16,175,673**	**4,711,420**	**45,556,960**
Balance as at April 1, 2015	13,635,568	11,034,299	16,175,673	4,711,420	45,556,960
Additions	2,809,520	3,937,035	4,640,864	1,801,671	13,189,090
Deletions	1,558,242	115,856	484,804	3,066,694	5,225,596
Balance as at March 31, 2016	**14,886,846**	**14,855,478**	**20,331,733**	**3,446,397**	**53,520,454**
Accumulated depreciation / amortization					
Balance as at April 1, 2014	74	824	-	-	898
Additions	3,112,857	3,248,050	4,008,449	865,740	11,235,096
On deletion	53,734	12,139	276,510	26,305	368,688
Balance as at March 31, 2015	**3,059,197**	**3,236,735**	**3,731,939**	**839,435**	**10,867,306**
Balance as at April 1, 2015	3,059,197	3,236,735	3,731,939	839,435	10,867,306
Additions	3,059,542	3,969,212	4,981,008	741,727	12,751,489
On deletion	629,963	75,641	163,029	904,102	1,772,735
Balance as at March 31, 2016	**5,488,776**	**7,130,306**	**8,549,918**	**677,060**	**21,846,060**
Net Block					
As at March 31, 2015	**10,576,371**	7,797,564	**12,443,734**	3,871,985	**34,689,654**
As at March 31, 2016	**9,398,070**	7,725,172	11,781,815	2,769,337	31,674,394

10 Intangible assets

Particulars	Software	Total
Gross Block		
Balance as at April 1, 2014	359,552	359,552
Additions	4,799,329	4,799,329
Deletions	-	-
Balance as at March 31, 2015	**5,158,881**	**5,158,881**
Balance as at April 1, 2015	5,158,881	5,158,881
Additions	39,450	39,450
Deletions	-	-
Balance as at March 31, 2016	**5,198,331**	**5,198,331**
Accumulated depreciation / amortization		
Balance as at April 1, 2014	312	312
Additions	1,564,454	1,564,454
On deletion	-	-
Balance as at March 31, 2015	**1,564,766**	**1,564,766**
Balance as at April 1, 2015	1,564,766	1,564,766
Additions	1,649,355	1,649,355
On deletion		-
Balance as at March 31, 2016	**3,214,121**	**3,214,121**
Net Block		
As at March 31, 2015	**3,594,115**	**3,594,115**
As at March 31, 2016	**1,984,210**	**1,984,210**

ENSURE SUPPORT SERVICES (INDIA) LIMITED CHENNAI 600 032

B S R & Co. LLP CHARTERED ACCOUNTANTS

(All amounts are in Indian Rupees except share data and as stated)

	As at March 31, 2016	As at March 31, 2015
11 Non-current investments		
Unquoted investments		
National savings certificates	20,000	20,000
	20,000	**20,000**
12 Deferred tax assets (net)		
Deferred tax assets		
Provision for employee benefits	12,087,483	10,625,386
Depreciation and amortisation	1,439,386	347,123
Provision for doubtful receivables	9,570,221	745,513
Others	2,576	5,127
Net deferred tax asset	**23,099,666**	**11,723,149**

13 Long-term loans and advances

Particulars	Non-current portion		Current portion*	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
To parties other than related parties				
Unsecured, considered good				
Rental and other deposits	24,910,714	28,573,823	14,096,749	4,738,160
Capital advances	-	2,951,257	-	-
Deposits with government authorities	740,283	716,917	-	-
Advance income tax (net of provision)	-	-	8,182,904	-
	25,650,997	**32,241,997**	**22,279,653**	**4,738,160**

* Amount disclosed under "short-term loans and advances" in note 18

	As at March 31, 2016	As at March 31, 2015
14 Other non-current assets		
Bank deposits (due to mature after 12 months from the reporting date)* (refer note 17)	2,286,700	1,650,500
	2,286,700	**1,650,500**

* Represents deposits under lien against bank guarantees and with statutory authorities.

	As at March 31, 2016	As at March 31, 2015
15 Inventories		
Spares *	48,766,368	50,864,513
	48,766,368	**50,864,513**
* Net of stock provision	22,112,323	9,900,000

B S R & Co. LLP * CHARTERED ACCOUNTANTS *

ENSURE SUPPORT SERVICES (INDIA) LIMITED ★ CHENNAI 600 032

(All amounts are in Indian Rupees except share data and as stated)

	As at March 31, 2016	As at March 31, 2015
16 Trade receivables		
Receivables outstanding for a period exceeding six months from the date they became due for payment		
- Unsecured and considered good	21,974,936	24,265,624
- considered doubtful	28,945,411	2,297,775
Less: Provision for doubtful receivables	(28,945,411)	(2,297,775)
	21,974,936	**24,265,624**
Other receivables		
- Unsecured and considered good	260,398,300	290,170,432
	260,398,300	**290,170,432**
	282,373,236	**314,436,056**
17 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	831,094	682,518
Balances with banks		
- On current accounts	28,249,148	18,103,227
- On deposit accounts (with original maturity of 3 months or less)	120,000,000	491,397
Other bank balances - deposits under lien	882,500	5,880,467
	149,962,742	**25,157,609**
Particulars		
Bank balances available on deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	120,000,000	491,397
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	882,500	5,880,467
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 14)	2,286,700	1,650,500
	123,169,200	**8,022,364**
18 Short-term loans and advances		
Current portion of long-term loans and advances (refer note 13)		
To parties other than related parties	22,279,653	4,738,160
To parties other than related parties		
Unsecured, considered good		
Balances with government authorities	50,594,925	24,921,117
Prepaid expenses	8,929,114	3,588,709
Employee advances	909,129	803,582
Other advances	3,908,355	19,725,437
	86,621,176	**53,777,005**
19 Other current assets		
Unsecured, considered good		
Unbilled revenue	118,215,855	110,605,084
Accrued interest on fixed deposit	51,306	94,629
	118,267,161	**110,699,713**

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★ CHENNAI 600 032

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2016

(All amounts are in Indian Rupees except share data and as stated)

	For the year ended March 31, 2016	For the year ended March 31, 2015
20 Revenue from operations		
Sales of services		
Warranty services	668,582,678	573,678,191
Annual maintenance contracts (refer note below)	480,979,723	423,947,620
Other services	135,546,638	194,058,175
	1,285,109,039	**1,191,683,986**
Sale of spares	5,674,369	31,061,627
Other operating revenue		
Scrap sales	1,727,536	1,015,327
	1,292,510,944	**1,223,760,940**

Note:

Revenue from annual maintenance contracts is net of invoice generated Rs. 481,646,865 (Previous year Rs. 486,546,130) as reduced by unexpired portion of the invoice period Rs. 63,249,829 (Previous year Rs. 62,598,510)

	For the year ended March 31, 2016	For the year ended March 31, 2015
21 Other income		
Interest income	403,194	326,840
Profit on sale of fixed assets (net of loss on sale of assets and assets written off)	455,029	-
Insurance claim received (refer note 42)	27,726,377	-
	28,584,600	**326,840**
22 Cost of spares consumed		
Opening stock of spares	50,864,513	-
Add: Purchases	359,553,893	386,089,453
	410,418,406	**386,089,453**
Less: Closing stock of spares	48,766,368	50,864,513
	361,652,038	**335,224,940**
23 Employee benefits expense		
Salaries and wages	253,558,597	244,922,613
Contribution to provident and other funds	23,745,153	20,553,086
Staff welfare expenses	13,882,381	19,195,136
	291,186,131	**284,670,835**
24 Finance costs		
Interest expense	10,138,928	5,855,859
	10,138,928	**5,855,859**

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ENSURE SUPPORT SERVICES (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2016

(All amounts are in Indian Rupees except share data and as stated)

	For the year ended March 31, 2016	For the year ended March 31, 2015
25 Depreciation and amortization expense		
Depreciation on tangible fixed assets (refer note 9)	12,751,489	11,235,096
Amortisation on intangible assets (refer note 10)	1,649,355	1,564,454
	14,400,844	**12,799,550**
26 Other expenses		
Outsourced resource cost	307,229,234	272,440,268
Rent expenses	67,331,017	63,880,329
Freight expenses	60,574,029	48,858,394
Communication expenses	21,138,818	24,770,398
Security charges	18,716,004	19,003,934
Repairs and maintenance	18,484,223	20,617,949
Electricity expenses	15,837,001	19,884,584
Travelling and conveyance expenses	26,423,469	20,775,411
Printing and stationery	7,395,887	8,863,486
Legal and professional expenses (refer note below)	4,024,537	3,503,644
Corporate social responsibility expenses (refer note 41)	660,000	-
Rates and taxes	11,419,393	6,132,057
Insurance	2,167,701	1,392,300
Advertisement expenses	769,904	2,124,398
Foreign exchange loss (net)	726,706	545,734
Bank charges	1,192,716	1,038,956
Provision for bad and doubtful debts	26,647,636	2,297,775
Loss on sale of assets	-	892,027
Miscellaneous expenses	5,832,386	1,945,879
Total	**596,570,661**	**518,967,523**

Note:

Payment to auditors (net of service tax input credit)		
Statutory audit	450,000	450,000
Tax Audit	50,000	50,000
For other services	250,000	200,000
Out of pocket expenses	58,709	16,867
	808,709	**716,867**

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★ CHENNAI 600 032

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2016

(All amounts are in Indian Rupees except share data and as stated)

	As at March 31, 2016	As at March 31, 2015
27 Contingent liabilities and commitments		
(i) Contingent liabilities		
(a) Claims against the company not acknowledged as debts		
Sales tax related matters	777,919	602,013
(b) Guarantees outstanding	8,362,110	6,917,655
(ii) Commitments:		
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	-	1,463,104
	9,140,029	**8,982,772**

28 Consumption of stores and spares	For the Year ended March 31, 2016 Amount	Percentage	For the Year ended March 31, 2015 Amount	Percentage
Imported	208,001,481	58%	86,942,826	26%
Indigenous	153,650,557	42%	248,282,114	74%
	361,652,038	**100%**	**335,224,940**	**100%**

	For the year ended March 31, 2016	For the year ended March 31, 2015
29 C.I.F value of imports		
Stores and spares	106,187,174	99,868,955
30 Expenditure in foreign currency (on accrual basis)		
Software Services	522,541	493,220
31 Earnings in foreign currency (on accrual basis)		
Sale of services - warranty services	325,799,034	227,799,351

32 Financial and derivate instruments

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	As at March 31, 2016		As at March 31, 2015	
	Foreign currency	INR	Foreign currency	INR
Amount payable				
USD	239,257	16,225,116	910,007	56,599,475
Amount receivable				
USD	975,475	64,630,105	921,173	57,573,285

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(All amounts are in Indian Rupees except share data and as stated)

33 Operating lease obligations

The Company has taken cancellable operating leases for office premises, and warehouses, which are renewable at the option of the company. Total rental expense under cancellable leases amounted to Rs. 67,331,017 (Previous Year Rs. 63,880,329).

34 Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 02, 2006, certain disclosures are required to be made relating to dues to micro, small and medium enterprises (MSME). On the basis of the information and records available with the management, none of the Company's suppliers are covered under the MSMED and accordingly, disclosure of information relating to principal, interest accruals and payments are not applicable.

35 Employee benefits - Defined benefit plan (Gratuity)

	For the year ended March 31, 2016	For the year ended March 31, 2015
The actuarial valuation as at the year end is given below:		
Present value of obligations	23,359,624	25,524,423
Liability recognised in the balance sheet	**23,359,624**	**25,524,423**
Movement in present value of defined benefit obligations:		
Defined benefit obligations at the beginning of the year	25,524,423	-
Current Service cost	1,003,938	790,544
Interest cost	2,041,954	-
Benefits settled	(732,411)	(566,111)
Actuarial (gain) / loss	(4,478,280)	25,299,990
Defined benefit obligations at the end of the year	**23,359,624**	**25,524,423**
Expense recognised in statement of profit and loss:		
Current Service cost	1,003,938	790,544
Interest cost	2,041,954	-
Net actuarial (gain)/ loss recognised in the year	(4,478,280)	25,299,990
Total, included in "Employee benefit expense"	**(1,432,388)**	**26,090,534**
Classification into current / non- current		
Classified as long-term provision	21,998,529	24,909,898
Classified as short-term provision	1,361,095	614,525
Principal actuarial assumptions:		
Discount rate	8.00%	9.30%
Retirement age	60 Years	60 Years
Future salary increases	10.00%	5.00%

The Company assesses these assumptions with the projected long-term plans of growth and prevalent Industry Standards

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ENSURE SUPPORT SERVICES (INDIA) LIMITED
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(All amounts are in Indian Rupees except share data and as stated)

36 Employee share based payment

Certain employees of Redington (India) Limited (the holding company) / ('Redington') were transferred to the Company. These erstwhile employees of Redington had been granted stock options in two tranches in respect of the shares of Redington before such transfer. There has been no recharge of compensation cost by the parent company to the Company. The Guidance note on Accounting of employee share based payments issued by Institute of Chartered Accountants of India ('ICAI') also covers such share based payments and requires the Company to account for employee share based payment plans in respect of grants made on or after 1 April 2005. The parent follows the intrinsic value method to account for the compensation cost. Since all the stock options have been granted at the fair value on the date of the grant, no compensation cost is recorded in respect of such options. Also, the options are subject to progressive vesting generally over three year period from the date of grant. The summary of option is as follows:

	Year ended March 31,2016		Year ended March 31, 2015	
No. of options granted, exercised and forfeited	Grant I	Grant II	Grant I	Grant II
Options outstanding at the beginning of the year	1,752	7,025	5,105	15,100
Options granted during the period	-	-	-	-
Total	1,752	7,025	5,105	15,100
Exercised during the year	1,400	4,550	3,000	3,575
Lapsed during the year	352	-	353	4,500
Forfeited during the year	-	-	-	-
Outstanding as at the end of the year	-	2,475	1,752	7,025
Vested and Exercisable at the end of the year	-	2,475	1,752	7,025
Exercise Price - (Rs.)	130.00	396.50	130.00	396.50

Proforma Disclosure under ESOP:

In accordance with Guidance Note, had the compensation cost for stock option plans been recognized in the statement of profit and loss based on the fair value at the date of grant in accordance with Black Scholes model, the proforma amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Net profit – as reported	30,523,459	43,978,949
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	-	-
Less: Employee Stock Compensation Expense as per Fair Value Method	-	146,819
Proforma net profit	30,523,459	43,832,130
Weighted average number of shares – Basic and diluted	3,964,481	2,050,000
Basic and diluted earnings per share – reported	7.70	21.45
Basic and diluted earnings per share – proforma	7.70	21.38

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(All amounts are in Indian Rupees except share data and as stated)

The fair value of each option is estimated on the date of grant using the Black-Scholes model with the following assumptions:

Volatility:
Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.
The parent company's stocks have been publicly traded on NSE and BSE. For calculating Volatility, the daily volatility of the stock prices on NSE, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

Risk free interest rate
The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Expected Term
Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

Dividend Yield
Expected dividend yield has been calculated as an average of dividend yields of the parent company for the preceding 2 years to the year of grant.

37 Segment Reporting

Primary segment information (by business segment)

The company is engaged in only one business namely providing warranty, post warranty and maintenance contract services and accordingly there are no separate reportable segments according to Accounting Standard 17 - 'Segment Reporting' issued under the Companies (Accounting Standards) Rules, 2006.

Secondary segment reporting (by geographical segments)

The Company caters only to need of domestic market. Hence there are no reportable geographical segments.

	For the year ended March 31, 2016	For the year ended March 31, 2015
38 Earning per share (EPS)		
Profit / (loss) attributable to equity shareholders	30,523,459	43,978,949
Number of shares at the beginning of the year	2,050,000	2,050,000
Number of shares at the end of the year	4,500,000	2,050,000
Weighted average number of equity shares outstanding during the period	3,964,481	2,050,000
Earning per share (Rs.) - Basic and diluted	7.70	21.45

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★ CHENNAI 600 032

(All amounts are in Indian Rupees except share data and as stated)

39 Related party transactions

Names of related parties and nature of relationship are as follows:

Nature of relationship	Name of the related party
Holding company	Redington (India) Limited
Fellow subsidiary company	Cadensworth India Limited Pro-Connect Supply Chain Solutions Limited Nook Micro Distribution Limited (Merged with Redington (India) Limited w.e.f April 1, 2015.
Holding Company's Subsidiary of Associate	Currents Technology Retail (India) Limited
Key management personnel	Mr. Stephen Aranha, Director Mr. S V Rao, Whole time Director

Summary of significant transactions:

Nature/item	Name of the party	For the year ended March 31, 2016	For the year ended March 31, 2015
Sales / Service Income	Redington (India) Limited	62,801,598	392,546,980
	Pro-Connect Supply Chain Solutions Limited	38,734	22,799
	Cadensworth India Limited	2,450,250	1,070,601
	Nook Micro Distribution Limited	-	2,400
	Currents Technology Retail (India) Limited	-	239,704
Purchase of goods and services	Redington (India) Limited	5,390,841	87,321,050
	Pro-Connect Supply Chain Solutions Limited	142,478	-
	Cadensworth India Limited	15,150	314,168
Rental Income	Cadensworth India Limited	992,880	904,685
Interest Expenses	Redington (India) Limited	3,705,928	5,855,859
Rental Expenses	Redington (India) Limited	4,987,267	4,531,152
	Pro-Connect Supply Chain Solutions Limited	234,960	-
	Cadensworth India Limited	108,170	-
Purchase of fixed assets	Redington (India) Limited	-	36,960,309
Loan taken	Redington (India) Limited	446,500,000	307,500,000
Loan repaid	Redington (India) Limited	526,000,000	228,000,000
Issue of equity shares	Redington (India) Limited	24,500,000	-
Insurance loss repaid	Redington (India) Limited	67,320,358	-
Any other expenses incurred on their behalf	Redington (India) Limited	1,055,946	25,842,373
	Cadensworth India Limited	1,218,054	264,530
Any other expenses incurred on our behalf	Redington (India) Limited	86,022,121	17,172,034
	Cadensworth India Limited	88,846	-
Remuneration	Mr. S V Rao	3,905,004	2,547,336

B S R & Co. LLP * Chartered Accountants *

ENSURE SUPPORT SERVICES (INDIA) LIMITED Chennai 600 032 *

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2016

(All amounts are in Indian Rupees except share data and as stated)

Year end balances

Nature of service	Name of the party	As at March 31, 2016	As at March 31, 2015
Receivables against supplies/services	Redington (India) Limited	67,062,955	-
	Pro-Connect Supply Chain Solutions Limited	-	928
	Cadensworth India Limited	7,054	-
	Currents Technology Retail (India)	-	89,889
Reimbursement of expenses receivable	Redington (India) Limited	7,533,422	-
Rent receivable	Cadensworth India Limited	172,927	-
Payables against supplies/services	Redington (India) Limited	3,328,125	81,149,295
Loan payable	Redington (India) Limited	-	79,500,000
Rent payable	Redington (India) Limited	5,149,732	-
Interest payable	Redington (India) Limited	3,335,061	-
Reimbursement of expenses payable	Redington (India) Limited	79,764,438	28,900,721
	Cadensworth India Limited	257,560	-

40 Transfer pricing

The Company has transactions with related parties. For the financial year 2015-16, management confirms that it maintains documents as prescribed by the Income-tax Act, 1961 to prove that these transactions are at arm's length considering the economic scenario, prevailing market conditions etc. and the aforesaid legislation will not have any impact on the financial statements. particularly on the amount of tax expense and that of provision for taxation.

41 Corporate Social Responsibility ("CSR") Expenditure

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. The details relating to the same are as follows:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Gross amount required to be spent by the Company during the year	660,000	-
Amount incurred during the year - included under "Note 26 - Other expenses"	660,000	-

42 Insurance

During the month of December 2015, one of the Company's warehouse was affected by flood which resulted in the loss of fixed assets, inventory owned by the Company and inventory held on behalf of its vendors. The Company had filed an insurance claim and has received an amount of Rs. 277,458,231 towards such claim.

The amount of claim attributable towards the loss of its own inventory and related aspects has been disclosed as other income under note 21. The amount received in respect of inventory held on behalf of the vendors (net of payments / adjustments made upto the balance sheet date) has been disclosed under "Other current liability – Insurance claim payable to vendor" in note 8.

The Company has written off the fixed asset which were damaged and is in the process of replacing the fixed assets and providing necessary documents to the insurance company. The management is confident of recovering the insurance claim relating to fixed assets from the insurance company.

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Notes to financial statements for the year ended March 31, 2016

(All amounts are in Indian Rupees except share data and as stated)

43 Prior period comparatives

Previous year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

for B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/ W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date: May 19, 2016

For and on behalf of the board of directors
Ensure Support Services (India) Limited

S V Rao	**Stephen Aranha**
Whole Time Director	Director
DIN: 06600739	DIN: 05353656

Place: Chennai
Date: May 19, 2016

ENSURE SUPPORT SERVICES (INDIA) LIMITED CHENNAI 600 032

Redington International Mauritius Limited Standalone Balance Sheet as at 31 March,2016

	Particulars	Note.No	Amount in ₹ As at 31.3.2016	As at 31.3.2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	9	1,833,144,996.38	1,668,811,687.50
	(b) Reserves and surplus	10	8,087,091,130.44	6,533,245,125.00
			9,920,236,126.82	**8,202,056,812.50**
2	**Non-current liabilities**			
	Long-term borrowings	11	-	889,205,187.50
			-	**889,205,187.50**
2	**Current liabilities**			
	(a) Short-term borrowings	12	955,713,268.86	1,199,250,000.00
	(b) Trade payables	13	2,663,848.53	5,636,812.50
			958,377,117.39	**1,204,886,812.50**
	TOTAL		**10,878,613,244.21**	**10,296,148,812.50**
B	**ASSETS**			
1	**Non-current assets**			
	Non-current investments	6	10,798,308,010.14	10,186,314,250.00
			10,798,308,010.14	**10,186,314,250.00**
2	**Current assets**			
	(a) Cash and cash equivalents	7	27,736,595.67	59,123,125.00
	(b) Short-term loans and advances	8	52,568,638.40	50,711,437.50
			80,305,234.07	**109,834,562.50**
	TOTAL		**10,878,613,244.21**	**10,296,148,812.50**
See accompanying notes forming part of Balance Sheet				

Redington International Mauritius LimitedStand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note.No	31st March,2016	31st March,2015
		2015-16	2014-15
Income			
Other income	15	641,603,960.94	681,327,118.98
Total Revenue		**641,603,960.94**	**681,327,118.98**
Expenses:			
Finance costs	16	70,868,708.04	81,101,573.04
Other expenses	17	15,169,494.10	29,968,815.00
Total expenses		**86,038,202.14**	**111,070,388.05**
Profit before tax		**555,565,758.80**	**570,256,730.93**
Profit before tax		**555,565,758.80**	**570,256,730.93**
Profit after Tax		555,565,758.80	570,256,730.93
Profit for the Year		**555,565,758.80**	**570,256,730.93**
See accompanying notes forming part of statement Profit and Loss			

edington International Mauritius Limited

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**555,565,758.80**		**570,256,730.93**	
Adjustments for:				
- Finance cost	70,868,708.04		81,101,573.04	
- Interest Income	(641,603,960.94)		(681,327,118.98)	
Operating Profit before working capital changes	**(15,169,494.10)**		**(29,968,815.00)**	
(Increase)/Decrease in Loans & advances and Other current assets	(1,857,200.90)		(840,887.67)	
Increase/(Decrease) in Trade Payables, Other Current Liabilities & Provisions	(2,972,963.97)		(739,341.80)	
Cash generated from operations	**(19,999,658.96)**		**(31,549,044.48)**	
Net Cash (used in) / generated from operating activities		**(19,999,658.96)**		**(31,549,044.48)**
Cash flow from investing activities:				
Interest received/ Dividend received	641,603,960.94		681,327,118.98	
Investment in subsidiaries	(611,993,760.14)		(421,305,957.38)	
Net Cash used in investing activities		**29,610,200.80**		**260,021,161.60**
Cash flow from financing activities:				
Proceeds from issue of share capital by a subsidiary(premium)	590,729,106.38		574,485,532.58	
(Repayment of) / Proceeds from long term borrowing	(889,205,187.50)		(1,112,854,537.50)	
(Repayment of) / Proceeds from short term borrowing	(243,536,731.14)		49,583,964.14	
Dividend paid by subsidiary to minority shareholders	-		-	
Dividends Paid, including dividend tax				
Finance cost paid	(70,868,708.04)		(81,101,573.04)	
Net Cash generated from financing activities		**(612,881,520.30)**		**(569,886,613.82)**
Net (decrease) / increase in cash and cash equivalents		**(603,270,978.46)**		**(341,414,496.70)**
Cash and cash equivalents at the beginning of the year		**59,123,125.00**		**24,184,689.75**
Currency Translation Adjustment		571,884,449.13		376,352,931.95
Cash and cash equivalents at the end of the year		**27,736,595.67**		**59,123,125.00**

Redington International Mauritius Limited

Notes on Accounts
for the year ended 31 March 2016

INDEPENDENT AUDITOR'S REPORT

The shareholder
Redington International Mauritius Limited

This report is made solely to the shareholder of Redington International Mauritius Limited ("the Company"). Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to the shareholder in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinions we formed.

Report on the Separate Financial Statements

We have audited the separate financial statements of **Redington International Mauritius Limited** (the "Company") on pages 5 to 24 which comprise the statement of financial position as at 31 March 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements on pages 5 to 24 present fairly, in all material respects, the financial position of the Company on a stand-alone basis as at 31 March 2016, and its
financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

For Delloite , Mauritius,

Signature. May,24,2016

Notes to the separate financial statements
for the year ended 31 March 2016

1. Status and operations

a) Redington International Mauritius Limited (the "Company") is incorporated in Mauritius with limited liability with effect from 16 July 2008 and is a holder of a Category 2 - Global Business License Company.

b) The parent and ultimate controlling party is Redington (India) Limited.

c) The principal activity of the Company is to act as a holding company for investments which are engaged in supply chain and related businesses.

d) The address of the registered office of the Company is IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, Mauritius.

e) Details of the Company's subsidiary and sub-subsidiaries at 31 March 2016 are as follows:

Name of subsidiary	*Ownership interest*	*Beneficial interest*	*Place of registration and operation*	*Principal activities*
	%	%		
Redington Gulf FZE (RGF)	100	100	Dubai, U.A.E.	Distribution of information technology products, providing hardware support and maintenance services.

The Company also controls the following sub-subsidiaries through its wholly owned subsidiary, Redington Gulf FZE:

Name of subsidiary	*Ownership interest*	*Beneficial interest*	*Place of registration and operation*	*Principal activities*
	%	%		
Cadensworth FZE	100	100	Dubai, U.A.E.	Distribution of information technology products and spare parts.
Redington Middle East LLC	49	100	Dubai, U.A.E.	Distribution of information technology products, providing hardware support and maintenance services.
Cadensworth UAE LLC	49	100	Dubai, U.A.E.	Distribution of information technology products, providing hardware support and maintenance services.
Redington Gulf &	70	100	Ruwi, Oman	Distribution of information

Co. LLC				technology products, providing hardware support and maintenance services.
Redington Gulf FZE Co	100	100	Erbil, Iraq	Distribution of information technology products, providing hardware support and maintenance services.
Redington Egypt Ltd. (Limited Liability Company)	100	100	Cairo, Egypt	Distribution of information technology products, providing hardware support and maintenance services.
Africa Joint Technical Services	65	100	Tripoli, Libya	Providing hardware support and maintenance services.
Linkplus Bilgisayar Sistemleri Sanayi ve Ticaret A.S.	70	70	Istanbul, Turkey	Distribution of information technology products

Notes to the separate financial statements
for the year ended 31 March 2016 (continued)

Status and operations (continued)

Name of subsidiary	*Ownership interest*	*Beneficial interest*	*Place of registration and operation*	*Principal activities*
	%	%		
Redington Morocco Ltd.	100	100	Casablanca, Morocco	Distribution of information technology products, providing hardware support and maintenance services.
Redington Kenya Limited	100	100	Nairobi, Kenya	Distribution of information technology products, providing hardware support and maintenance services.
Redington Kenya (EPZ) Limited	100	100	Nairobi, Kenya	Distribution of information technology products, providing hardware support and maintenance services.
Redington Tanzania Limited	100	100	Dar e saalam, Tanzania	Distribution of information technology products, providing hardware support and maintenance services.
Redington Uganda Limited	100	100	Kampala, Uganda	Distribution of information technology products, providing hardware support and maintenance services.
Ensure IT Services (Pty) Ltd.	100	100	Johannesburg, South Africa	Providing hardware support and maintenance services.
Redington Angola Ltd.	100	100	Luanda, Angola	Distribution of information technology products, providing hardware support and maintenance services.
Redington Nigeria Limited	100	100	Lagos, Nigeria	Distribution of information technology products, providing hardware support and maintenance services.
Redington Limited	100	100	Accra,	Distribution of information

Notes to the separate financial statements
for the year ended 31 March 2016 (continued)

			Ghana	technology products, providing hardware support and maintenance services.
Redington Rwanda Ltd.	100	100	Kigali, Rwanda	Distribution of information technology products, providing hardware support and maintenance services.
Redington Turkey Holdings S.A.R.L. (RTHS)	100	100	Luxembourg City, Grand Duchy of Luxembourg	Investment in companies which are engaged in supply chain and related businesses.
Redington Kazakhstan LLP	100	100	Almaty, Kazakhstan	Distribution of information technology and telecommunication products.
Redington Senegal Limited SARL	100	100	Dakar, Senegal	Distribution of information technology and telecommunication products.
Redington Africa Distribution FZE	100	100	Dubai, U.A.E.	Distribution of information technology and telecommunication products.
Ensure Gulf FZE	100	100	Dubai, U.A.E	Providing hardware support and maintenance services.
Ensure Services Bahrain S.P.C. (formerly Redington Bahrain S.P.C.)	100	100	Manama, Kingdom of Bahrain	Providing Bahrain hardware support and maintenance services.
Proconnect Supply Chain Logistics LLC	49	100	Dubai, U.A.E.	**Providing logistic services.**
Redington Saudi Arabia Distribution Company	75	100	Riyadh, Saudi Arabia	**Distribution of information technology and telecommunication products.**
	100	100	Lagos, Nigeria	

Notes to the separate financial statements
for the year ended 31 March 2016 (continued)

RNDC Alliance West Africa Limited				**Distribution of information technology and telecommunication products.**
	100	100	Dubai, UAE	
CDW International Trading FZE				**Trading of information technology and telecommunication products.**
	100	100	Riyadh, Saudi Arabia	
Ensure Services Arabia LLC				**Providing hardware support and maintenance services.**

Redington Middle East LLC has the following subsidiaries:

Name of subsidiary	*Ownership interest*	*Beneficial interest*	*Place of registration and operation*	*Principal activities*
	%	%		
Redington Qatar Distribution Company W.L.L.	49	100	Doha, Qatar	Providing hardware support and maintenance services.
Redington Qatar WLL	49	100	Doha, Qatar	Providing hardware support and maintenance services.

Ensure Gulf FZE has the following subsidiaries:

Name of subsidiary	*Ownership interest*	*Beneficial interest*	*Place of registration and operation*	*Principal activities*
	%	%		
Ensure Technical Services (PTY) Ltd.	100	100	Johannesburg, South Africa	Providing hardware support and maintenance services.
Ensure Middle East Trading LLC	49	100	Dubai, U.A.E	Providing hardware support and maintenance services.
Ensure Technical Services Kenya Limited	100	100	Nairobi, Kenya	Providing hardware support and maintenance services.
Ensure Technical Services Tanzania Limited	100	100	Dar e saalam, Tanzania	Providing hardware support and maintenance services.

Notes to the separate financial statements
for the year ended 31 March 2016 (continued)

Ensure Services Uganda Limited	100	100	Kampala, Uganda	Providing hardware support and maintenance services.
Ensure Solutions Nigeria Limited	99.9	100	Lagos, Nigeria	Providing hardware support and maintenance services.
Ensure Ghana Limited	100	100	Accra, Ghana	Providing hardware support and maintenance services.
	%	%		
Ensure Technical Services Morocco Limited (Sarl)	100	100	Casablanca, Morocco	Providing hardware support and maintenance services.

Redington Turkey Holdings S.A.R.L. has the following subsidiary:

Name of subsidiary	*Ownership interest*	*Beneficial interest*	*Place of registration and operation*	*Principal activities*
	%	%		
Arena Bilgisayar Sanayi ve Ticaret A.S. (Arena) [Note 1(h)]	49.4	49.4	Istanbul, Turkey	Distribution of information technology and telecommunication products.

Arena has the following subsidiaries:

Name of subsidiary	*Ownership interest*	*Beneficial interest*	*Place of registration and operation*	*Principal activities*
	%	%		
Arena International FZE [Note 1(h)]	100	100	Dubai, U.A.E	Computer software trading, computer equipment requisites trading, telephones and telecommunicationequipment trading, computer and data processing requisites trading.
Sensonet Teknoloji Elektronik Ve Bilisim Hizmetleri Sanayi Ve Ticaret Limited Sirketi	99.78	99.78	Istanbul, Turkey	Distribution of information technology and telecommunication products including surveillance equipment.

Notes to the separate financial statements
for the year ended 31 March 2016 (continued)

[Note 1(h)]				
Adeo Bilisim Danismanlik Hizmetleri San. Ve Tic. A.S. (Adeo) [Note 1(h)]	51	51	Istanbul, Turkey	IT consulting and training.
PayNet Güvenli Ödene Hizmetleri Anonim Sirketi	100	100	Istanbul, Turkey	Payment intermediation services.

h) In entities listed above where the Company owns less than 50% of the equity shares, the Company has the power over these entities, is exposed to or has rights to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect its returns and therefore exercises effective control. Consequently, these entities are considered as subsidiaries and sub-subsidiaries of the Company.

2. Application of new and revised International Financial Reporting Standards ("IFRS")

2.1 New and revised IFRS applied with no material effect on the separate financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 April 2015, have been adopted in these separate financial statements. The application of these new and revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Annual Improvements to IFRS 2010-2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Annual Improvements to IFRS 2011-2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Amendments to IAS 19 *Employee Benefits* to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

2.2 New and revised IFRS in issue but not yet effective and not early adopted

The Company has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

Notes to the separate financial statements
for the year ended 31 March 2016 (continued)

New and revised IFRS	***Effective for annual periods beginning on or after***
• IFRS 14 *Regulatory Deferral Accounts.*	1 January 2016
• Amendments to IAS 1 *Presentation of Financial Statements* relating to Disclosure initiative.	1 January 2016
• Amendments to IFRS 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations.	1 January 2016
• Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortization.	1 January 2016
• Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* relating to bearer plants.	1 January 2016
• Amendments to IAS 27 *Separate Financial Statements* relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.	1 January 2016
• Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities.	1 January 2016
• Annual Improvements to IFRS 2012-2014 Cycle covering amendments to IFRS 5, IFRS 7 and IAS 19.	1 January 2016

2. Application of new and revised International Financial Reporting Standards (“IFRS”) (continued)

2.2 New and revised IFRS in issue but not yet effective and not early adopted (continued)

New and revised IFRS	***Effective for annual periods beginning on or after***

Notes to the separate financial statements
for the year ended 31 March 2016 (continued)

• Finalised version of IFRS 9 [IFRS 9 *Financial Instruments* (2014)] was issued in July 2014 incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition. This amends classification and measurement requirement of financial assets and introduces new expected loss impairment model. A new measurement category of fair value through other comprehensive income (FVTOCI) will apply for debt instruments held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets. A new impairment model based on expected credit losses will apply to debt instruments measured at amortised costs or FVTOCI, lease receivables, contract assets and certain written loan commitments and financial guarantee contract.	1 January 2018
• Amendments to IFRS 7 Financial Instruments: Disclosures relating to disclosures about the initial application of IFRS 9.	When IFRS 9 is first applied.
• IFRS 7 Financial Instruments: Additional Hedge Accounting Disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	When IFRS 9 is first applied.
• IFRS 15 Revenue from Contracts with Customers: provides a single, principles based five-step model to be applied to all contracts with customers.	1 January 2018
• IFRS 16 Leases: specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	1 January 2019
• Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from investor to its associate or joint venture.	Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's separate financial statements for the year beginning 1 April 2016 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the separate financial statements of the Company in the year of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Company's separate financial statements for the annual year beginning 1 January 2018 and IFRS 16 will be adopted for the annual year beginning 1 January 2019. The application of IFRS 9, IFRS 15 and IFRS 16 may have significant impact on amounts reported and disclosures made in the Company's separate financial statements in respect of the Company's financial assets and financial liabilities, revenue from contracts with customers and leases. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Company performs a detailed review.

3. Presentation of separate financial statements of the Company on a stand-alone basis

These financial statements are presented for Redington International Mauritius Limited, Mauritius on a stand-alone basis as permitted by International Accounting Standards (IAS) 27 *Separate Financial Statements*, which requires investments in subsidiaries to be accounted for under the cost method in such separate financial statements.

In addition, consolidated financial statements of Redington International Mauritius Limited and its subsidiaries are separately issued.

4. Significant accounting policies

Statement of compliance

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

The separate financial statements are prepared in accordance with the historical cost basis. The significant accounting policies adopted are set out below.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Dividend income

Dividend income from the investment is recognised when the Company's right to receive payment has been established.

Investment in subsidiaries

A subsidiary is an entity over which the Company exercises control. Control is achieved where the Company has:

- power over the entity
- exposure, or has rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect its returns.

Investments in subsidiaries are accounted for in these separate financial statements of the Company at cost in accordance with International Accounting Standard (IAS) 27 *Separate Financial Statements*.

Notes to the separate financial statements
for the year ended 31 March 2016 (continued)

Foreign currencies

For the purpose of the separate financial statements, the financial performance and financial position of the Company are expressed in United States Dollars which is the functional currency of the Company and the presentation currency for the separate financial statements.

In preparing the separate financial statements of the Company, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlements of monetary items and on the translation of monetary items are included in profit or loss.

5. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets held by the Company are classified as 'loans and receivables'.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset/ liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Notes to the separate financial statements for the year ended 31 March 2016 (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including bank balances and cash and amounts due from a related party are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Impairment of financial assets (continued)

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. All financial liabilities held by the Company are classified as 'other financial liabilities'.

Notes to the separate financial statements
for the year ended 31 March 2016 (continued)

Other financial liabilities

Other financial liabilities, including borrowings and accruals are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

5. Critical accounting judgment and key source of estimation uncertainty in applying the Company's accounting policies

Critical judgment in applying the Company's accounting policies

Management has made no critical judgments that have a significant effect on the amounts recognised in the separate financial statements as the Company is merely a holding company, which has no transactions during the year that require application of judgment.

Key source of estimation uncertainty

The key assumption concerning the future, and other key source of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below:

Impairment of investments in subsidiaries

Management regularly reviews its investments in subsidiaries for indicators of impairment. The indicators of whether investments in subsidiaries may be impaired entails management's evaluation of the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows from the date of acquisition and until the foreseeable future. Management is satisfied that there are no indicators of impairment and hence no impairment provision is necessary on its investments in subsidiaries.

6. Investment in subsidiaries

Investment in subsidiaries is stated at cost less any allowance for impairment losses. The directors have assessed that there is no indication of impairment.

Particulars	**31-Mar-16**	**31-Mar-15**
Redington International Holdings Limited	107983,08,010.14	10,186,314,250.00

7. Cash and cash equivalents

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Balances with banks -In current accounts	277,36,595.67	59,123,125.00

8. Short Term loans and advances-Unsecured and considered good:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Due from a related party*	516,82,146.50	48,753,062.50
Prepaid expense	8,86,491.90	1,958,375.00
Total	**525,68,638.40**	**50,711,437.50**

*The entire amount is due from Redington Gulf FZE, UAE, Dubai.

9. Share capital

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed & fully paid up	18,331,44,996.38	1,668,811,687.50

10. Reserves and Surplus:

Amount in ₹

(a) Capital reserve	**31-Mar-16**	**31-Mar-15**

Notes to the separate financial statements
for the year ended 31 March 2016 (continued)

Opening balance	24497,56,250.00	2,348,434,331.50
Currency translation adjustment	1471,81,355.50	101,321,918.50
Closing Balance	**25969,37,605.50**	**2,449,756,250.00**
(b) Securities Premium Account		
Opening Balance	15436,86,000.00	916,952,521.05
Additions	5907,29,106.38	574,485,532.58
CTA	31878,64,126.88	1,886,152,988.46
Closing Balance	**22349,07,233.27**	**1,543,686,000.00**
(c) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	22515,21,615.09	1,681,264,884.16
Add: Current year profit	5555,65,758.80	570,256,730.93
Closing Balance	**28070,87,373.89**	**2,251,521,615.09**
(d) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	2882,81,259.91	194,748,539.76
Movement during the year	1598,77,657.87	93,532,720.15
Closing balance	4481,58,917.79	**288,281,259.91**
Total	**80870,91,130.44**	**6,533,245,125.00**

11. Long term Borrowings (Unsecured):

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Loans From Banks	---	889,205,187.50

On October 2013, the Company has refinanced its remaining loan availed on February 2012 amounting to US$ 63.25 million through another bank subject to a fixed interest rate of 2.17% per annum. The loan is repayable semi-annually within three years and is maturing on 16 February 2017. During the year ended 31 March 2016, the Company incurred interest expense on long term loans amounting to US$ 1,083,664 (2015: US$ 1,326,281

12. Short term Borrowings:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Borrowings from Bank	9557,13,268.86	1,199,250,000.00

Notes to the separate financial statements
for the year ended 31 March 2016 (continued)

13. Trade Payables:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Expense Payable	26,63,848.53	5,636,812.50

14. Related party transactions

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 *Related Party Disclosures*. Related parties comprise companies and entities under common ownership and/or common management and control and key management personnel.

The management decides on the terms and conditions of the transactions and of services received/rendered from/to related parties as well as on other charges.

At the reporting date, balances with related parties are as follows:

	2016 INR	2015 INR
Due from a related party		
Subsidiary		
Redington Gulf FZE, Dubai, U.A.E.	516,82,146.50	487,53,062.50
	============	============

Due from a related party is current, interest-free, unsecured and have no fixed repayment terms.

15. Other Income:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Dividend income	6416,03,960.94	681,327,118.98
Other income	-	-
Total	**6416,03,960.94**	**681,327,118.98**

16. Finance-costs:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Interest Expenses	708,68,708.04	81,101,573.04

Notes to the separate financial statements
for the year ended 31 March 2016 (continued)

17. Other Expenses:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Professional Charges	15,79,933.56	8,206,767.58
Bank Charges	133,67,667.47	21,526,437.95
Miscellaneous Expenses	2,21,893.07	235,609.47
Total	**151,69,494.10**	**29,968,815.00**

18. Taxation

The Company, being the holder of a Category 2 Global Business License, is not liable to income tax in Mauritius.

19. Capital reserve

Capital reserve represents the excess of book value of net assets over the purchase consideration paid for entities acquired which were under common control.

20. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4 to the separate financial statements.

(b) Categories of financial instruments

	2016	2015
	INR	INR
Financial assets		
Loans and receivables (including cash and cash equivalents)		
Investment in subsidiaries	794,18,742.17	1078,76,187.50
	============	============
Financial liabilities		
At amortised cost	9557,13,268.86	11992,50,000.0
	============	============

(c) Fair values

The fair value of the financial assets and financial liabilities approximates the carrying values in the statement of financial position as at the reporting date.

21. Financial risk management

The financial risk management policies are discussed by the management of the Company on a regular basis to ensure that these are in line with the overall business strategies and its risk management philosophy. Management sets policies which seek to minimise potential adverse effects of financial performance of the Company.

(a) Foreign currency risk management

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in United States Dollars (US$).

(b) Interest rate risk management

The Company is exposed to interest rate risk as the Company borrows funds that bears interest rate. The Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31 March 2016 would decrease/increase by US$ 72,124 (2015: 167,076). This is mainly attributable to the Company's exposure to interest rates on its fixed rate bank borrowings.

Notes to the separate financial statements
for the year ended 31 March 2016 (continued)

(c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's funding and liquidity management requirements. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities

15. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the shareholder through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2015.

16. Approval of financial statement

The financial statements for the year ended 31 March 2016 were approved and signed by the Director on May,20, 2016.

REDINGTON DISTRIBUTION PTE LIMITED

Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	**Note.No**	**As at 31.03.2016**	**As at 31.03.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	6	265,020,000.00	250,000,000.00
	(b) Reserves and surplus	7	1,720,991,248.83	1,205,754,062.50
			1,986,011,248.83	**1,455,754,062.50**
2	**Current liabilities**			
	(a) Short-term borrowings	8	1,552,710,373.10	-
	(a) Trade payables	9	4,322,219,528.13	3,715,506,375.00
	(b)Other current liabilities	10	406,346,950.38	450,387,500.00
	(c) Short-term provisions	11	112,326,606.84	76,608,312.50
			6,393,603,458.45	**4,242,502,187.50**
	TOTAL		**8,379,614,707.27**	**5,698,256,250.00**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(a) Fixed assets-Tangible assets	12	634,126.96	535,750.00
	(b) Non-current investments	17	19,962,233.97	18,830,875.00
			20,596,360.93	**19,366,625.00**
2	**Current assets**			
	(a) Inventories	13	1,461,829,979.72	1,184,723,812.50
	(b)Trade receivables	14	5,725,038,432.02	3,518,326,875.00
	(d) Cash and cash equivalents	15	848,768,356.91	797,964,375.00
	(e) Short-term loans and advances	16	323,381,578.07	177,874,562.50
	(g) Short term receivable under financing activity			
			8,359,018,346.70	**5,678,889,625.00**
	TOTAL		**8,379,614,707.27**	**5,698,256,250.00**

See accompanying notes forming part of Balance Sheet

REDINGTON DISTRIBUTION PTE LIMITED
Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note.No	31st March,2016 2015-16	31st March,2015 2014-15
Income			
Revenue from operations	18	32,850,215,311.20	24,431,006,711.09
Other income	19	3,457,555.66	12,719,853.80
Total Revenue		**32,853,672,866.86**	**24,443,726,564.89**
Expenses:			
Purchases of trading stock		32,033,987,644.06	24,009,960,002.23
Changes in inventories of trading stock		(243,257,176.88)	(407,604,509.49)
Employee benefits	20	134,041,330.12	168,021,042.79
Finance costs	21	32,621,158.04	20,273,298.89
Depreciation & Amortisation	12	145,247.42	933,876.93
Other expenses	22	265,487,433.49	209,186,963.87
Total expenses		**32,223,025,636.24**	**24,000,770,675.22**
Profit before tax		**630,647,230.61**	**442,955,889.67**
Profit before tax		**630,647,230.61**	**442,955,889.67**
Tax expense:			
Prior year tax provisions written back			
Current tax		122,889,388.83	112,398,068.50
Profit after Tax		**507,757,841.78**	**330,557,821.17**
Minority interest			
Profit for the Year		**507,757,841.78**	**330,557,821.17**
Earnings per equity share:			
Basic			
Diluted			
See accompanying notes forming part of Profit and loss statement			

REDINGTON DISTRIBUTION PTE LIMITED

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**630,647,230.61**		**442,955,889.67**	
Adjustments for:				
- Depreciation	145,247.42		933,876.93	
- Finance cost	32,621,158.04		20,273,298.89	
- Interest Income	(128,832.70)		(231,818.19)	
- Provision for Doubtful debts				
- Provision for employee benefits				
Operating Profit before working capital changes	**663,284,803.37**		**463,931,247.30**	
Increase in Trade receivables	(2,206,711,557.02)		(310,482,628.12)	
Increase in Loans & advances and Other current assets	(145,507,015.57)		(30,726,088.50)	
Increase in Inventories	(277,106,167.22)		(381,460,003.96)	
Increase in Trade Payables, Other Current Liabilities & Provisions	598,390,897.85		631,298,896.60	
Cash generated from operations	**(1,367,649,038.57)**		**372,561,423.32**	
Direct taxes paid	(122,889,388.83)		(112,398,068.50)	
Net Cash (used in) / generated from operating activities		**(1,490,538,427.40)**		**260,163,354.82**
Cash flow from investing activities:				
Purchase of fixed assets	(210,513.93)		(510,660.44)	
Proceeds from sale of fixed assets	-			
Interest received	128,832.70		231,818.19	
Net Cash used in investing activities		**(81,681.24)**		**(278,842.25)**
Cash flow from financing activities:				
Proceeds from issue of share capital by a subsidiary				
Proceeds from issue of share capital				
(Repayment of) / Proceeds from long term borrowing				
Proceeds from short term borrowings	1,552,710,373.10			
Dividend paid by step down subsidiary to minority shareholders				
Dividends Paid, including dividend tax	(70,694,489.62)		(55,768,449.23)	
Finance cost paid	(32,621,158.04)		(20,273,298.89)	
Net Cash generated from financing activities		**1,449,394,725.44**		**(76,041,748.12)**
Net (decrease) / increase in cash and cash equivalents		**(41,225,383.20)**		**183,842,764.45**
Cash and cash equivalents at the beginning of the year		**797,964,375.00**		**559,490,344.22**
Currency Translation Adjustment		92,029,365.10		54,631,266.33
Cash and cash equivalents at the end of the year		**848,768,356.90**		**797,964,375.00**

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Company Registration No. 200503995E

Redington Distribution Pte Ltd And Subsidiary Company

Annual Financial Statements 31 March 2016

Ernst & Young LLP

Victor: lian

GENERAL INFORMATION

Directors

Rangareddy Jayachandran
Ramanathan Srinivasan
Raj Shankar

Company secretary

Yip Ming Fai

Registered office

39 Robinson Road
#09-04 Robinson Point
Singapore 068911

Auditors

Ernst & Young LLP

The directors are pleased to present their report to the member together with the audited consolidated financial statements of Redington Distribution Pte Ltd (the "Company") and its subsidiary (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2016.

1. DIRECTORS

The directors of the Company in office at the date of this report are:

Rangareddy Jayachandran
Ramanathan Srinivasan
Raj Shankar

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed in the paragraph below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act, Cap.50 an interest in shares and share options of the Company's holding and related corporations as stated below:

	Held in the name of directors	
	At beginning of the financial year	**At end of the financial year**
	Ordinary shares	
Holding company - Redington India Limited		
Raj Shankar	594946	594,946
Ramanathan Srinivasan	125000	325,000
Redington Nigeria ltd		
Raj Shankar	1	1
Ramanathan Srinivasan	1	1
	Ordinary shares	
Harrow Investment Holding Ltd		
Rangareddy Jayachandran	1,500	1,500
Ramanathan Srinivasan	1,500	1,500

4. DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

5. AUDITORS

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors:

Ramanathan Srinivasan
Director

Sd:-
Raj Shankar
Director

Singapore

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STATEMENT BY THE DIRECTORS

We, Ramanathan Srinivasan and Raj Shankar, being two of the directors of Redington Distribution Pte Ltd, do hereby state that, in the opinion of the directors:-

(i) the accompanying balance sheets, consolidated statement of comprehensive income, statement of changes in equity and consolidated cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2016 and the results of the business, changes in equity and cash flow of the Group and the changes in equity of the Company for the year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

Ramanathan Srinivasan
Director

Sd:-
Raj Shankar
Director

Singapore

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF REDINGTON DISTRIBUTION PTE LTD

We have audited the accompanying financial statements of Redington Distribution Pte Ltd (the Company) and its subsidiary (collectively the Group), which comprise the balance sheets of the Group and the Company as at 31 March 2016, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF REDINGTON DISTRIBUTION PTE LTD

Opinion

In our opinion,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2016 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and

(ii) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Public Accountants and
Certified Public Accountants

Singapore

1. CORPORATE INFORMATION

The Company is a limited company which was incorporated in Singapore on 28 March 2005. The registered office of the Company is located at 39 Robinson Road, #09-04 Robinson Point, Singapore 068911.

The Company is a wholly-owned subsidiary of Redington (India) Limited, a company incorporated in India.

The principal activities of the Company are that of a general merchant and importer and exporter of computers, computer peripherals and components. The principal activities of the subsidiary company are marketing, selling and maintenance of computer hardware, accessories and spare parts. There have been no significant changes in the nature of these activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States dollars (USD or US$).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 16 and FRS 41 *Agriculture - Bearer Plants*	1 January 2016
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016

Amendments to FRS 111 *Accounting for Acquisitions of Interest in Joint Operations*	1 January 2016

2.3 Standards issued but not yet effective continued)

Description	*Effective for annual periods beginning on or after*
Improvements to FRSs (November 2014)	
- Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
- Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
- Amendments to FRS 19 *Employee Benefits*	1 January 2016
- Amendments to FRS 34 *Interim Financial Reporting*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 7 *Disclosure Initiative*	1 January 2017
Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

Except for FRS 115 and FRS 109, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;

- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2. Summary of significant accounting policies (continued)

2.5 Foreign currency

The financial statements are presented in United States Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the profit or loss.

(b) Consolidated financial statements

For consolidation purposes, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 Property, plant and equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated on the straight-line basis over the estimated useful life of the assets. The estimated useful lives of plant and equipment are as follows:

Computer	-	1 - 3 years
Furniture and equipment	-	10 years
Motor Vehicle	-	10 years

Fully depreciated assets are retained in the financial statements until they are no longer in used and no further charge for depreciation is made in respect of these assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial yearend and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.7 Intangible assets

Intangible assets acquired comprise computer software and are measure initially at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised on a straight-line basis over their estimated useful life of 5years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewedat least at each financial year-end. The amortisation expense on intangible assets is recognised in the profit or loss through the 'amortisation expenses' line item.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using apre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognised previously. Such reversal is recognised in the income statement. After such a reversal, the depreciation charge is adjusted in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories fo the lower of cost and net realisable value. Net realisable value is 4he estimated selling price in fihe ordinary course of business, less estimated cosh of completion and the estimated cosfis necessary to make the sale.

2.10 Financial assets

Financial assets are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit and loss, directly attributable transaction costs.

Loan and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognised at fair value, plus directly attributed transaction costs and subsequently carried at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The Company classifies the following financial assets as loans and receivables:

- cash and bank balances;
- trade receivables, including amounts due from holding company;
- deposits.

2.11 Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assefis has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amounfi of reversal is recognised in profit or loss.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.13 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event. It is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Financial liabilities

Financial liabilities include trade and other amounts payables which are normally settled on 30-90 day terms. Financial liabilities are recognised on the balance sheet when, and only when, the company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value, plus, directly attributable transaction costs.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the income statement when the liabilities are derecognised and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the income statement. Net gains or losses on derivatives include exchange differences.

2.15 Employee benefits

Defined contribution plan

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as compensation expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

Employee share option plans

Employees of the Company receive remuneration in the form of share options of the holding company as consideration for services rendered.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in the income statement, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of options that will ultimately vest.

The charge or credit to profit or doss for a period represents the movement in cumulative expense recognised as at the beginning and end of fihat period and is recognised in employee benefits expense.

No expense is recognised for options that do not ultimafiely vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service condifiions are satisfied. In fhe case where the option does not vest as the result of a failure to meet anon-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amounf of the compensation cost that otherwise would be recognised ove the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The employee share option res~rv~ is transferred to retained earnings upon expiry of the share option.

2.16 Lease

Operating lease payments are recognised as an expense in the profit or loss on a straightline basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.17 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods. Revenue recognised in the income statement represents net amounts after net off of commission paid to dealers.

(b) Fee income
Fee income is recognised upon services rendered in accordance to terms of the agreement.

(c) Interest income
Interest income is recognised using the effective interest method.

2.18 Income taxes

(a) Current tax

Current income tax assets and liabilities for the currenf and prior periods are measured at the amount expected to be recovered from or paid to the Yaxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences (other than those mentioned above), carry-forward of unused tax credits and unused tax losses, to the extent that 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 except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at such balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax
Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales flax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.19 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence 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;

(b) a present obligation that arises from past events but is not recognised because:
(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amounf of fhe obligation cannofi be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence 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. Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably

3. INVESTMENT IN A SUBSIDIARY COMPANY

Name of Company (Country of incorporation	**Principal activities (Place of business)**	**Cost of investment**		**Equity interest held by the Group**	
		2016	**2015**	**2016**	**2015**
		Rs.In Lakhs	Rs.In Lakhs	%	%
Held by the Company					
* Redington Bangladesh Limited (Bangladesh)	Maketing, selling and Maintenance of computer hardware, accessories and spare parts				
	(Bangladesh)	22.87	22.87	99	99
# Redington SL Private Limited (Sri Lanka)	Wholesale distribution Of information Technology products And spare parts	111.48	111.48	100	100
		134.35	134.35		

* Audited by member firm of Ernst & Young, Global.

\# Dormant, no audit requirement. The subsidiary in Sri Lanka was incorporated on 28 October 2009

4. SALES OF GOODS

Revenue represents invoiced value of goods supplied. Revenue excludes intra-group transaction.

5. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital structure in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and business performance. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2016 and 31 March 2015.

6. Share Capital:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Issued Subscribed capital	**2650,20,000.00**	**250,000,000.00**

7. Reserves and Surplus:

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	9862,89,945.16	711,500,573.22
Add: Current year profit	5077,57,841.78	330,557,821.18
Less: Transferred to:		
Proposed Dividend	(706,94,489.62)	(55,768,449.23)
Closing Balance	**14233,53,297.33**	**986,289,945.17**
(b) Foreign Currency Translation reserve		
Particulars	**31.03.16**	**31-Mar-15**
Opening balance	1893,71,867.33	156,294,513.08
Movement during the year	763,65,891.79	43,077,354.25
Closing balance	**2657,37,759.12**	**189,371,867.33**
(c) Employee Share option reserve		

Particulars	**31.03.16**	**31-Mar-15**
Opening balance	300,92,250.00	28,847,634.54
CTA	18,07,942.38	1,244,615.46
Closing balance	**319,00,192.38**	**30,092,250.00**
Total	**17209,91,248.83**	**1,205,754,062.50**

8. Short Term Borrowings.

Short-term borrowings		
(d)Other Loans and advances		
Secured	**15527,10,373.10**	--

9. Trade Payables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trade Payables	41209,83,879.18	3,531,899,687.50
(b) Expense Payable	1879,02,691.52	170,824,875.00
(c)Due to related parties	133,32,957.44	12,781,812.50
Total	**43222,19,528.13**	**3,715,506,375.00**

10. Other Current liabilities:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Other Payables	4063,46,950.38	**450,387,500.00**

11. Short term Provisions:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Provision For Taxation	1123,26,606.84	**76,608,312.50**

12. Fixed Assets:

Amount in ₹

Particulars	**Furniture & Fixtures**	**Computers**	**Total**
Cost			
As at 01.04.15	7,27,500.00	53,08,125.00	60,35,625.00
Additions	5,558.77	2,04,955.16	2,10,513.93
Disposals	-	-	-
Translation adjustments	43,781.10	3,21,600.16	3,65,381.26
As at 31.03.16	**7,76,839.88**	**58,34,680.32**	**66,11,520.20**
Accumulated Depreciation			
As at 01.04.15	5,22,375.00	49,77,500.00	54,99,875.00
Additions	-	1,45,247.42	1,45,247.42
Disposals	-	-	-
Translation adjustment	31,384.29	3,00,953.13	3,32,337.42
As at 31.03.16	**5,53,759.29**	**54,23,700.56**	**59,77,459.85**
Carrying Amount			
As at 01.04.15	**2,05,125.00**	**3,30,625.00**	**5,35,750.00**
As at 31.03.16	**2,23,080.59**	**4,10,979.77**	**6,34,060.35**

13.. Inventories:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Trading Stocks		1,184,723,812.50
Total		**1,184,723,812.50**

14. Trade receivables:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Unsecured, considered good	**57250,38,432.02**	**3,518,326,875.00**

15 Cash and Cash Equivalents:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Cash on hand	**8487,68,356.91**	**797,964,375.00**

16. Short term Loans and advances:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a)Advance to suppliers	3178,00,058.10	172,454,500.00
(b) Security deposits	55,81,519.97	5,420,062.50
(b) Prepaid expenses - Unsecured, considered good	-	-
Total	**3233,81,578.07**	**177,874,562.50**

17. Non Current investments

Particulars	31-Mar-16	31-Mar-15
Non Current Investments	199,62,233.97	188,30,875.00

18. Revenue from Operations:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Sales	328502,15,311.20	24,431,006,711.09
Total	**328502,15,311.20**	**24,431,006,711.09**

19. Other Income:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) License fee	32,69,865.38	12,229,923.08
(b) Interest Income	1,28,832.70	231,818.19
(c) Other non operating income	58,857.58	258,112.53
Total	**34,57,555.66**	**12,719,853.80**

20. Employee Benefits:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i)Salaries and Bonus	1274,80,606.82	161,757,243.09
(ii) Contribution to Provident Fund and other Funds	65,60,723.31	6,263,799.70
Total	**1340,41,330.12**	**168,021,042.79**

21. Finance Cost:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Interest Expenses	**326,21,158.04**	**20,273,298.89**

22. Other Expenses:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Bad Debts	-	2,285,038.83
Provision for Doubtful receivables	376,58,778.05	31,479,638.55
Exchange loss	203,39,020.47	18,426,580.50
Miscellaneous Expenses	2074,89,634.97	156,995,705.99
Total	**2654,87,433.49**	**209,186,963.87**

23 Operating lease Commitments:

The Company leases office premises and warehouses under lease agreements that are non cancellable within a period.

24. Dividend on Ordinary Shares:

Company declared a dividend of INR 706,94,489.62- (PY- INR 5,57,68,449.23) to the parent company Redington (India) Limited.

25. Contingencies:

A review application has been filed by a subsidiary Redington Bangladesh Limited against the appeal dismissed by the court on a legal case filed by the General Secretary of Bangladesh Jubo Arthanitibit Forum. The forum had earlier filed a case against RBL and 12 other companies and obtained an interim injunction on Commercial operations on the ground that foreign companies invest a nominal Capital and repatriate the profits overseas resulting in unfair competition for local companies
According to RBL the case filed by the plaintiff is not applicable since capital invested is not nominal and RBL has not repatriated any profits overseas, from inception till date.

26. Financial Risk Management

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from cash balances placed with reputable banks and financial institutions.

Such balances are placed on varying maturities and generate interest income for the Group. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The major classes of financial assets of the Group are cash and bank balances, bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of good credit history. Cash at banks are placed with or entered into with reputable financial institutions.

Credit exposure to an individual counterparty is guided by credit limits thaf are approved by the management. The counterparty's payment profile and credit exposure are continuously monitored by the management.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

27. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 March 2016 were authorised for issue in accordance with a resolution of the directors on May,24,2016

REDINGTON GULF FZE
Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	Note.No	As at 31.3.2016	As at 31.3.2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	6	216,450,000.00	204,180,000.00
	(b) Reserves and surplus	7	14,351,922,101.89	12,801,721,674.82
			14,568,372,101.89	**13,005,901,674.82**
2	**Non-current liabilities**			
	(a)Other Long term liabilities	8	-	29,525,210.69
	(b) Long-term provisions	9	271,098,051.41	210,698,259.34
			271,098,051.41	**240,223,470.03**
2	**Current liabilities**			
	(a) Short-term borrowings	10	20,425,568,264.89	14,822,876,575.62
	(b) Trade payables	11	18,107,827,923.90	13,315,044,555.48
	(b)Other current liabilities	12	133,970,699.36	-
	(c) Short-term provisions	13	44,066,460.26	46,247,722.84
			38,711,433,348.41	**28,184,168,853.94**
	TOTAL		**53,550,903,501.71**	**41,430,293,998.78**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets	16		
	(i) Tangible assets		454,633,510.01	407,189,521.14
	(ii) Intangible assets		275,599,507.95	209,275,669.22
	(b) Non-current investments	14	1,447,539,064.73	1,002,807,031.69
	(c)Deferred tax assets (net)	15	6,675,354.08	4,491,126.27
	(e) Long term receivables under financing activity			
			2,184,447,436.76	**1,623,763,348.31**
2	**Current assets**			
	(a) Inventories	17	7,254,203,117.36	7,753,363,398.97
	(b)Trade receivables	18	10,468,494,437.70	12,793,576,305.07
	(c) Cash and cash equivalents	19	930,158,052.53	1,597,322,463.68
	(d) Short-term loans and advances	20	32,713,600,457.36	17,662,268,482.77
			51,366,456,064.95	**39,806,530,650.48**
	TOTAL		**53,550,903,501.71**	**41,430,293,998.78**
See accompanying notes forming part of Balance sheet				

REDINGTON GULF FZE

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note.No	31st March,2016	31st March,2015	
		2015-16	2014-15	
Income				
Revenue from operations	21	153,780,832,675.38		120,850,407,900.77
Other income	22	30,024,813.15		264,961,760.99
Total Revenue		**153,810,857,488.53**		**121,115,369,661.76**
Expenses:				
Purchases of trading stock		140,582,861,832.40		113,664,716,002.79
Changes in inventories of trading stock		499,160,281.60		(1,269,851,273.84)
Employee benefits	23	1,834,622,537.50		1,516,916,189.89
Finance costs	24	419,530,579.62		401,628,878.90
Depreciation & Amortisation	16	125,679,771.02		127,778,951.03
Other expenses	25	8,925,146,224.40		5,075,973,675.04
Total expenses		**152,387,001,226.54**		**119,517,162,423.79**
Profit before tax		**1,423,856,262.00**		**1,598,207,237.97**
Exceptional items				-
Profit before extraordinary items and tax		**1,423,856,262.00**		**1,598,207,237.97**
Extraordinary Items				-
Profit before tax		**1,423,856,262.00**		**1,598,207,237.97**
Tax expense:				
Current tax	-		-	
Prior year tax provisions written back				
Current tax		5,271,590.52	7,180,864.08	7,180,864.08
Profit after Tax		1,418,584,671.47		1,591,026,373.89
Profit for the Year		**1,418,584,671.47**		**1,591,026,373.89**
See accompanying notes forming statement of profit and loss				

REDINGTON GULF FZE

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**1,423,856,262.00**		**1,598,207,237.97**	
Adjustments for:				
- Depreciation	125,679,771.02		127,778,951.03	
- Finance cost	419,530,579.62		401,628,878.90	
Operating Profit before working capital changes	**1,969,066,612.63**		**2,127,615,067.90**	
Decrease in Trade receivables	2,325,081,867.37		(1,859,096,503.94)	
(Increase)/Decrease in Loans & advances and Other current assets	(15,053,516,202.41)		(2,918,945,310.91)	
(Increase)/ Decrease in Inventories	499,160,281.60		(1,266,776,122.90)	
Increase/(Decrease) in Trade Payables, Other Current Liabilities & Provisions	4,955,447,386.59		3,501,842,815.97	
Cash generated from operations	**(5,304,760,054.21)**		**(415,360,053.88)**	
Direct taxes paid	(5,271,590.52)		(7,180,864.08)	
Net Cash (used in) / generated from operating activities		**(5,310,031,644.74)**		**(422,540,917.96)**
Cash flow from investing activities:				
Purchase of fixed assets	(204,248,173.64)		(57,925,511.49)	
Proceeds from sale of fixed assets	2,837,023.02		3,782,174.59	
Investment in subsidiaries	(444,732,033.04)		(476,266,414.69)	
Net Cash used in investing activities		**(646,143,183.65)**		**(530,409,751.59)**
Cash flow from financing activities:				
(Repayment of) / Proceeds from long term borrowing	-		1,939,917,309.68	
(Repayment of) / Proceeds from short term borrowing	5,602,691,689.27		(681,855,790.60)	
Dividend paid by subsidiary to minority shareholders			(401,628,878.90)	
Dividends Paid, including dividend tax	-641,964,529.85			
Finance cost paid	(419,530,579.62)			
Net Cash generated from financing activities		**4,541,196,579.80**		**856,432,640.18**
Net (decrease) / increase in cash and cash equivalents		**(1,414,978,248.58)**		**(96,518,029.37)**
Cash and cash equivalents at the beginning of the year		**1,597,322,463.68**		**1,210,159,386.00**
Currency Translation Adjustment		747,813,837.43		483,681,107.04
Cash and cash equivalents at the end of the year		**930,158,052.53**		**1,597,322,463.68**

Redington Gulf FZE
Jebel Ali Free Zone
Dubai - United Arab Emirates

Report and financial statements
For the year ended 31 March 2016

INDEPENDENT AUDITOR'S REPORT

The Shareholder
Redington Gulf FZE
Jebel Ali Free Zone
Dubai
United Arab Emirates

Report on the Financial Statements

We have audited the accompanying financial statements of **Redington Gulf FZE - Jebel Ali Free Zone, Dubai, United Arab Emirates** (the "Establishment") which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Cont'd…

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the separate financial position of **Redington Gulf FZE - Jebel Ali Free Zone, Dubai, United Arab Emirates** as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Also, in our opinion, proper books of account have been maintained by the Establishment and the physical inventory count was properly conducted. We obtained all the information and explanations which we considered necessary for our audit. According to the information available to us, there were no contraventions during the year of the provisions of the Implementing Regulation 1/92 pursuant to Law Number (9) of 1992, which might have materially affected the financial position of the Establishment or the results of its operations.

May,20,2016

1. Establishment and operations

a) Redington Gulf FZE is a Free Zone Establishment (the "Establishment") registered on 27 March 2000 pursuant to Law No.9 of 1992 of H.H. Sheikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and Implementing Regulations issued thereunder by the Jebel Ali Free Zone Authority.

b) The immediate parent and holding company is Redington International (Holdings) Limited, Cayman Islands and the Ultimate Parent is Redington India Limited, India.

c) The principal activity of the Establishment is distribution of information technology & telecommunication products, spare parts, providing hardware support and maintenance services.

d) The address of the registered office of the Establishment is P.O. Box 17266, Jebel Ali, Dubai, United Arab Emirates.

e) The Establishment operates in Kuwait, Iraq and India through its branches, Redington Gulf FZE - Distribution (Kuwait Branch), Redington Gulf FZE - Service (Kuwait Branch), Redington Gulf FZE (Iraq Branch) and Redington Gulf FZE (India Branch).

f) Details of the Establishment's subsidiaries at 31 March 2016 are as follows:

Name of subsidiary	Place of registration and operation	Ownership interest %	Beneficial interest %	Principal activity
Cadensworth FZE	Dubai, U.A.E.	100	100	Distribution of information technology products and spare parts.
Redington Middle East LLC	Dubai, U.A.E.	49	100	Distribution of information technology & telecommunication products, providing hardware support & maintenance services.
Cadensworth UAE LLC	Dubai, U.A.E.	49	100	Distribution of information technology products, providing hardware support & maintenance services.
Redington Gulf & Co. LLC	Ruwi, Oman	70	100	Distribution of information technology products, providing hardware support and maintenance services.
Redington Qatar WLL	Doha, Qatar	49	100	Providing hardware support & maintenance services
Redington Qatar Distribution Company W.L.L	Doha, Qatar	49	100	Distribution of information technology products.

1. Establishment and operations (continued)

Name of subsidiary	Place of registration and operation	Ownership interest %	Beneficial interest %	Principal activity
Redington Bahrain S.P.C.	Manama, Kingdom of Bahrain	100	100	Providing hardware support & maintenance services.
Redington Arabia Ltd.	Riyadh, Saudi Arabia	100	100	Providing hardware support & maintenance services.
Redington Gulf FZE Co	Erbil, Iraq	100	100	Distribution of information technology & telecommunication products, providing hardware support & maintenance services.
Redington Africa Distribution FZE	Jebel Ali, Dubai, U.A.E.	100	100	Distribution of information technology & telecommunication products.
Redington Egypt (Limited liability Company)	Cairo, Egypt	100	100	Distribution of information technology products, providing hardware support & maintenance services.
Africa Joint Technical Services	Tripoli, Libya	65	100	Providing hardware support& maintenance services.
Redington Morocco Ltd.	Casablanca, Morocco	100	100	Distribution of information technology & telecommunication products, providing hardware support & maintenance services.

1. Establishment and operations (continued)

Name of subsidiary	Place of registration and operation	Ownership interest %	Beneficial interest %	Principal activity
Redington Kenya Limited	Nairobi, Kenya	100	100	Distribution of information technology & telecommunication products, providing hardware support & maintenance services.
Redington Kenya (EPZ) Limited	Nairobi, Kenya	100	100	Distribution of information technology & telecommunication products, providing hardware support & maintenance services.
Redington Tanzania Limited	Dar e saalam, Tanzania	100	100	Distribution of information technology & telecommunication products, providing hardware support & maintenance services.
Redington Uganda Limited	Kampala, Uganda	100	100	Distribution of information technology & telecommunication products, providing hardware support & maintenance services.
Redington IT Services (Pty) Ltd.	Johannesburg, South Africa	100	100	Distribution of information technology & telecommunication products, providing hardware support & maintenance services.
Redington Angola LTD	Luanda, Angola	100	100	Providing hardware support & maintenance services.

1. Establishment and operations (continued)

Name of subsidiary	Place of registration and operation	Ownership interest %	Beneficial interest %	Principal activity
Redington Nigeria Limited	Lagos, Nigeria	100	100	Distribution of information technology & telecommunication products, providing hardware support & maintenance services.
Redington Limited	Accra, Ghana	100	100	Distribution of information technology & telecommunication products, providing hardware support & maintenance services
Redington Rwanda Ltd.	Kigali, Rwanda	100	100	Distribution of information technology products, providing hardware support & maintenance services.
Redington Turkey Holdings S.A.R.L. (RTHS)	Luxembourg City, Grand Duchy of Luxembourg	100	100	Investment in companies which are engaged in supply chain and related business.
Redington Kazakhstan LLP	Almaty, Kazakhstan	100	100	Distribution of information technology & telecommunication products.
Ensure Gulf FZE	Jebel Ali, Dubai, U.A.E.	100	100	Providing hardware support and maintenance services.
Proconnect Supply Chain Logistics LLC (formerly Ensure Supply Chain Logistics LLC)	Dubai, U.A.E.	49	100	Providing logistic services.
Redington Senegal Limited S.A.R.L.	Dakar, Senegal	100	100	Distribution of information technology & telecommunication products.
Redington Saudi Arabia Distribution Company	Riyadh, Saudi Arabia	75	100	Distribution of information technology & telecommunication products.
RNDC Alliance West Africa Limited	Lagos, Nigeria	100	100	Distribution of information technology and telecommunication

				products.
CDW International Trading FZE	Dubai, UAE	100	100	Trading of information technology and telecommunication products.
Linkplus Bilgisayar Sistemleri Sanayi ve Ticaret A.S.	Istanbul, Turkey	70	70	Distribution of information technology products.

Ensure Gulf FZE has the following subsidiaries:

Name of subsidiary	***Place of registration and operation***	***Ownership interest*** **%**	***Beneficial interest*** **%**	***Principal activity***
Ensure Technical Services (PTY) Ltd.	Johannesburg, South Africa	100	100	Providing hardware support and maintenance services.
Ensure Middle East Trading LLC	Dubai, U.A.E.	49	100	Providing hardware support and maintenance services.
Ensure Technical Services Kenya Limited	Nairobi, Kenya	100	100	Providing hardware support and maintenance services.
Ensure Technical Services Tanzania Limited	Dar e saalam, Tanzania	100	100	Providing hardware support and maintenance services.
Ensure Services Uganda Limited	Kampala, Uganda	100	100	Providing hardware support and maintenance services.
Ensure Solutions Nigeria Limited	Lagos, Nigeria	99.9	100	Providing hardware support and maintenance services.
Ensure Ghana Limited	Accra, Ghana	100	100	Providing hardware support and maintenance services.
Ensure Technical Services Morocco Limited (Sarlau)	Casablanca, Morocco	100	100	Providing hardware support and maintenance services.

Redington Middle East LLC has the following subsidiaries:

Name of subsidiary	*Place of registration and operation*	*Ownership interest*	*Beneficial interest*	*Principal activities*
Redington Qatar WLL	Doha, Qatar	49	100	Providing hardware support & maintenance services.
Redington Qatar Distribution Company W.L.L.	Doha, Qatar	49	100	Distribution of information technology products.

Redington Turkey Holdings S.A.R.L. has the following subsidiary:

Name of subsidiary	***Place of registration and operation***	***Ownership interest***	***Beneficial interest***	***Principal activities***
Arena Bilgisayar Sanayi ve Ticaret A.S. (Arena) [Note 1(g)]	Istanbul, Turkey	49.4	49.4	Distribution of Information technology and telecommunication products.

Arena International FZE [Note 1(g)]	Dubai, U.A.E	100	100	Computer software trading, Computer Equipment Requisites Trading, Telephones & Telecommunication Equipment Trading, Computer & Data Processing Requisites Trading.
Sensonet Teknoloji Elektronik Ve Bilisim Hizmetleri Sanayi Ve Ticaret Limited Sirketi [Note 1(g)]	Istanbul, Turkey	99.78	99.78	Distribution of information technology and telecommunication products including surveillance equipment.
Adeo Bilisim Danismanlik Hizmetleri San. Ve Tic. A.S. (Adeo) [Note 1(g)]	Istanbul, Turkey	51	51	IT consulting and training.

g) In entities listed above where the Establishment owns less than 50% of the equity shares, the Establishment is exposed to or has rights to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect its returns and therefore exercises effective control. Consequently, these entities are considered as subsidiaries and sub-subsidiaries of the Establishment.

2. Application of new and revised International Financial Reporting Standards ("IFRS")

2.1 New and revised IFRS applied with no material effect on the separate financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 April 2015, have been adopted in these separate financial statements. The application of these new and revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Annual Improvements to IFRS 2010-2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Annual Improvements to IFRS 2011-2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Amendments to IAS 19 *Employee Benefits* to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

The Establishment has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRS	***Effective for annual periods beginning on or after***
• IFRS 14 *Regulatory Deferral Accounts.*	1 January 2016
• Amendments to IAS 1 *Presentation of Financial Statements* relating to Disclosure initiative.	1 January 2016
• Amendments to IFRS 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations.	1 January 2016

• Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation.	1 January 2016
• Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* relating to bearer plants.	1 January 2016
• Amendments to IAS 27 *Separate Financial Statements* relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.	1 January 2016
• Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities.	1 January 2016
• Annual Improvements to IFRS 2012-2014 Cycle covering amendments to IFRS 5, IFRS 7 and IAS 19.	1 January 2016
• Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from investor to its associate or joint venture.	Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Establishment's separate financial statements for the year beginning 1 April 2016 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the separate financial statements of the Establishment in the year of initial application.

Management anticipates that IFRS 9 and IFRS 15 will be adopted in the Establishment's separate financial statements for the annual year beginning 1 January 2018 and IFRS 16 will be adopted for the annual year beginning 1 January 2019. The application of IFRS 9, IFRS 15 and IFRS 16 may have significant impact on amounts reported and disclosures made in the Establishment's separate financial statements in respect of the Establishment's financial assets and financial liabilities, revenue from contracts with customers and leases. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Establishment performs a detailed review.

3. Presentation of financial statements on a stand-alone basis

These financial statements are presented for Redington Gulf FZE on a stand-alone basis as permitted by International Accounting Standards (IAS) 27 Separate Financial Statements, which requires investments in subsidiaries to be accounted under the cost method in such separate financial statements. In addition, consolidated financial statements of Redington Gulf FZE and its subsidiaries are separately issued.

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

The separate financial statements are prepared in accordance with the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The significant accounting policies adopted are set out below.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase costs and other related expenses that have been incurred in bringing the inventories to their present location and condition. Effective 1 April 2014, the Establishment changed its cost formula from First-in-First-out (FIFO) to Weighted Average Cost (WAC). Management performed a calculation of the impact of the change and has assessed that the impact is immaterial. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the Establishment has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Establishment retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Establishment; and,
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income

Service income represents income generated from providing hardware support and maintenance services and is recognised when the service is rendered.

Interest Income

Interest Income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend Income

Dividend Income from investments in subsidiaries is recognised when the Establishment's right to receive payment has been established.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any identified impairment loss. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Establishment and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when incurred. Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, as follows:

	Years
Building	20
Warehouse equipment	5
Furniture and fixtures	5
Motor vehicles	3
Office equipment	5
Computers	5

The estimated useful lives and depreciation method is reviewed at each year end, with the effect of any changes in estimate accounted for as a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible asset

Cost of software purchased is amortized using the straight-line method over its estimated useful life of 3 years.

Impairment of tangible and intangible assets

At each reporting date, the Establishment reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Establishment estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Establishment as lessee

Assets held under finance leases are initially recognised as assets of the Establishment at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Investment in subsidiaries

A subsidiary in an entity over which the Establishment exercises control. Control is achieved where the Establishment has:

- power over the entity
- exposure or has rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect its returns.

Investment in subsidiaries are accounted in these separate financial statements of the Establishment using the "cost method" in accordance with IAS 27 *Separate Financial Statements* under which such investments are carried at cost.

Provisions

Provisions are recognised when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that the Establishment will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Taxation

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Establishment's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Equity settled share based payments

a) Shares granted to employees under the Holding Company, Redington International (Holdings) Limited’s share purchase scheme are valued at the book value as at the grant date. The excess of fair value over book value is charged to profit or loss and credited to equity.
b) Share Purchase options granted by the Ultimate Parent Company, Redington India Limited, to employees under the Group’s Employee Stock Option Plan are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based transactions are set out in the financial statements.

Equity settled share based payments (continued)

Share Purchase options granted by the Ultimate Parent Company, Redington (India) Limited, to employees under the Group’s Employee Stock Option Plan are measured at the fair value of the equity instruments at the grant date.

4. Significant accounting policies (continued)

The fair value determined at the grant date of the equity-settled share based payments is expensed over the vesting period based on the management’s estimate of equity instruments that will eventually vest. At each reporting date, management revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the equity-settled employee benefits reserve.

The policy described above is applied to all equity settled share-based payments that were granted after 29 February 2008 by the board of the Ultimate Parent Company.

Foreign currencies

The separate financial statements of the Establishment are presented in the currency of the primary economic environment in which the Establishment operates. For the purpose of the separate financial statements, the results and financial position of the Establishment are expressed in Arab Emirates Dirhams, which is the functional currency of the Establishment, and the presentation currency for the separate financial statements.

In preparing the separate financial statements of the Establishment, transactions in currencies other than the Establishment's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlements of monetary items and on the translation of monetary items, are included in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including trade and other receivables, bank balances and cash and amounts due from related parties are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Establishment's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial instruments (continued)

Derecognition of financial assets

The Establishment derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Establishment neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Establishment recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Establishment retains substantially all the risks and rewards of ownership of a transferred financial asset, the Establishment continues to recognize the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Establishment retains an option to repurchase part of a transferred asset), the Establishment allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities ‘at FVTPL’ or ‘other financial liabilities’.

Other financial liabilities

Other financial liabilities, including borrowings, trade and other payables and amounts due to related parties are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

The Establishment derecognizes financial liabilities when, and only when, the Establishment’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. Critical accounting judgments and key sources of estimation uncertainty in applying the Establishment’s accounting policies

Critical judgments in applying the Establishment’s accounting policies

The following are the critical judgments (apart from those involving estimations, which are dealt with below) that the directors have made in the process of applying the Establishment’s accounting policies, which are described in Note 4 to the financial statements, and that have the most significant effect on the amounts recognized in the financial statements.

Warranties

The Establishment’s Original Equipment Manufacturer (“OEM”) generally warrants the products distributed by the Establishment. The Establishment generally does not independently warrant the products it distributes and management does not consider that any provisions for warranties or claims are required.

Revenue recognition

Management has considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 *Revenue* and in particular whether the Establishment had transferred the risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability for the goods sold, the management is satisfied that the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

Share based payments

In determining the fair value of share-based payments and the related charge to profit or loss, certain assumptions have to be made about future events and market conditions. In particular, judgments were made about the likely number of options that will vest, and the fair value of each option granted. The fair value was determined using a valuation model which is dependent on further estimates, including the Ultimate Parent Company's future dividend policy, risk-free interest rate and the timing with which options will be exercised and the future validity in the price of the options.

Customer Incentive

The Establishment accrues for rebates for its customers based on contracted percentages on the total sales made during the year and based on fulfilment of the related obligations, which require management to ascertain the target met by its customers during the period of agreement.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for doubtful debts - specific

Allowance for doubtful debts is determined based using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of the receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances. Also, specific provisions for individual accounts are recorded when the Establishment becomes aware of the customer's inability to meet its financial obligations such as in the case of deterioration in the customer's operating results or financial position.

Allowance for general risks

In addition to specific allowance for doubtful debts, management considers it necessary to raise an allowance for other risks based on a percentage of third party sales. Such allowance is made in order to cover the general country related and economic and political risks which may affect customer account balances for which specific allowance has not been made and other receivables.

5. Critical accounting judgments and key sources of estimation uncertainty in applying the Establishment's accounting policies (continued)

Key sources of estimation uncertainty (continued)

Allowance for slow-moving inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and quality issues. Based on the above factors, the Establishment has arrived at certain percentages for allowance for slow moving inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

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Notes to the financial statements for the year ended 31 March 2016 (continued)

Amortisation of intangible asset

The period of amortisation of the accounting software is determined based on the pattern in which the asset's future economic benefits are expected to be consumed by the Establishment and technological obsolescence.

Useful lives of property and equipment

The cost of property and equipment is depreciated over the estimated useful life, which is based on expected usage of the asset, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and the residual value. The management has not considered any residual value as it is deemed immaterial.

Original equipment manufacturer ("OEM") supplier programs

OEM suppliers formulate programs for inventory volume promotion programs and price protection rebates. Inventory volume promotion programs and price protection rebates are recorded as a reduction of cost of sales. The rebates are accrued based on the terms of the program and sales of qualifying products. Some of these programs may extend over one or more reporting periods. The Establishment tracks vendor promotional programs for volume discounts on a program-by-program basis. Once the program is implemented, the benefit of the program based on the actual volume is recorded as a receivable from vendors with a corresponding reduction in the cost of sales. Concurrently, the vendor receivable is collected generally through reductions authorised by the vendor to accounts payable. The Establishment monitors the balances of receivables from vendors on a monthly basis. Actual rebates may vary based on volume or other sales achievement levels, which could result in an increase or reduction in the estimated amounts previously accrued. OEM suppliers may change the terms of some or all these programs or cease them altogether. Any such change could impact the gross margins on products or revenue earned.

6. Share Capital:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up	2164,50,000.00	2041,80,000.00

7. Reserves and Surplus:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Capital reserve		
Opening balance	29211,58,510.55	2,800,552,348.13
Currency translation adjustment	1755,44,200.83	120,606,162.43
Closing Balance	**30967,02,711.38**	**2,921,158,510.55**
(b) Securities Premium Account	**31-Mar-16**	**31-Mar-15**
Particulars		
Opening Balance	**16363,98,278.95**	1,568,836,140.19
Currency translation adjustment	983,37,774.92	67,562,138.76
Closing Balance	**17347,36,053.86**	**1,636,398,278.95**

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Notes to the financial statements for the year ended 31 March 2016 (continued)

(c) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	64604,24,859.84	5,551,254,276.54
Add: Current year profit	14185,84,671.47	1,591,026,373.89
Proposed Dividend	(6419,64,529.85)	(681,855,790.60)
Closing Balance	**72370,45,001.47**	**6,460,424,859.84**
(d) Employee share purchase reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	1116,19,522.99	107,011,076.63
CTA	-	4,608,446.37
Closing balance	67,07,667.49	**111,619,522.99**
(f) Foreign Currency Translation reserve	**1183,27,190.48**	
Particulars		**31-Mar-15**
Opening balance	**31-Mar-16**	1,362,707,302.70
Movement during the year	16721,20,502.49	309,413,199.79
Closing balance	4929,90,642.21	**1,672,120,502.49**
Total	**21651,11,144.71**	**12,801,721,674.82**

Equity settled employee benefits reserve

a) Shares issued to directors and employees

The Holding Company issues shares to certain employees and management personnel under the "Employees Share Purchase Scheme 2009" (the Scheme) as approved by the board of directors of the Company. During the year ended 31 March 2015, no shares (2014: no shares) were issued under the Scheme.

The shares under the Scheme are fully paid up on issuance and have been issued at a value of US$ 47.84 per share. Based on fair value assessment of the shares carried out by management with assistance from an external valuer, the Establishment had recognized in 2009, an amount of AED 113,983 being the difference between the fair value and the issue price of the shares issuable under the Scheme in the statement of comprehensive income and credited the amount to equity as required under IFRS 2, "Share Based Payment". This represents the charge on all the shares that are required to be issued under the Scheme and hence, no further charge has been made in the current year.

b) Options issued to employees

(i) The Parent Company, Redington India Limited has granted options under the Employees Stock Option Plan 2008. Under the terms of this plan, the Parent Company has granted options to employees of the Group to purchase equity shares of the holding company at an exercise price of Indian Rupee (INR) 348.05. These options vest over a period of 36 months from the date of grant and are to be exercised within a maximum period of 5 years from the date of vesting. These options were subsequently re-priced from Indian Rupee (INR) 348.05 to Indian Rupee (INR) 130 on 28 January 2009.

Options are granted at the discretion of the Management of the Parent Company. The options vest over the three year period in the following manner: 50% of options at the end of year 1, 25% of options at the end of year 2 and 25% options at the end of year 3 from the date of grant.

(ii) The fair values of options granted, being AED Nil (2012: AED 3,006,810) is recorded as an expense by the Establishment in profit or loss over the relevant vesting or service periods, adjusted to reflect actual and expected levels of vesting.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions (based on year of grant and the year of re-pricing).

	Date of grant/re-pricing	
	28 February 2008 INR*	28 January 2009 INR*
Exercise price	348.05	130.00
Risk free interest rate	7.25%	5.70%
Expected life (in years)	4.25	4.25
Expected volatility	61%	59%
Dividend yield	1.74%	1.46%
Fair value of option	171.33	NA
Fair value of option – post re-pricing *	NA	41.49
Differential cost on re-pricing of option	NA	25.56

(iii) Fair value per option (prior to re-pricing) was INR 15.93.

Equity settled employee benefits reserve (continued)

The options activity is summarized below:

	2016 AED	2015 AED
Options granted:	**Nil**	**Nil**
Options lapsed:	**Nil**	**Nil**
Options exercised:	**Nil**	**1500**
Outstanding as at 31March:	**2850**	**2850**

*Conversions from the Indian Rupee (INR) to Arab Emirates Dirhams (AED) are carried out at the prevailing exchange rates on the dates of the transaction/event.

8. Other Long-term Liabilities:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Others	--	29,525,210.69
Total	**--**	**29,525,210.69**

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Notes to the financial statements for the year ended 31 March 2016 (continued)

9. Long term Provisions:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Provision For Gratuity	2710,98,051.41	210,698,259.34
Total	**2710,98,051.41**	**210,698,259.34**

Provision is made in accordance with UAE Federal Labour Law, which exceeds the provision for employees' end of service indemnity based on the legislation applicable to free zone entities operating out of Jebel Ali Free Zone. In the case of the branch incorporated outside the UAE, provision is made in accordance with the labour law as applicable in that country.

10. Short term Borrowings-Secured:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a)Secured loans from banks	129573,70,971.19	8,933,660,701.66
(b) Loans and advances from Related Parties	74681,97,293.70	5,889,215,873.96
Total	**204255,68,264.89**	**14,822,876,575.62**

Short-term borrowing of INR 74681,97,293.70 ₹ (2015: 5,889,215,873.96) is from the ultimate parent company. Bank borrowings, except overdraft are secured by assignment of insurance policies over inventories on a pari-passu basis.

The overdraft is secured against deposits held with banks). Short term loans are repayable within one year and are at floating rates of interest, negotiated with the banks at LIBOR plus margin. Long term loans are subject to interest rate of 5.25% per annum and are repayable within five years.

Related Party Transaction:

The Establishment enters into transactions with the parties that fall within the definition of a related party as contained in International Accounting Standard 24: *Related Party Disclosures*. Related parties comprise companies and entities under common ownership and/or common management and key management personnel.

The management decides on the terms and conditions of the transactions and of services received/rendered from/to related parties as well as on other charges.

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Notes to the financial statements for the year ended 31 March 2016 (continued)

11. Trade Payables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trade Payables	166465,26,499.20	12,164,081,146.82
(b) Expense Payable	11280,00,008.36	739,594,935.47
(c)Others	3333,01,416.34	411,368,473.20
Total	**181078,27,923.90**	**13,315,044,555.48**

12. Other Current liabilities

Particulars	**31-Mar-16**	**31-Mar-15.**
(iii) Others	1339,70,699.36	-
	1339,70,699.36	**-**

13. Short Term Provisions:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Provision For Taxation	440,66,460.26	46,247,722.84
Total	**440,66,460.26**	**46,247,722.84**

14. Non-Current Investments:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
In Subsidiaries - Unquoted	14475,39,064.73	1,002,807,031.69
Total	**14475,39,064.73**	**1,002,807,031.69**

15. Deferred tax assets:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Net Deferred Tax Asset	66,75,354.08	4,491,126.27
Total	**66,75,354.08**	**4,491,126.27**

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Notes to the financial statements for the year ended 31 March 2016 (continued)

16 Fixed assets:

a. Property and equipment:

Amount in ₹

Particulars	Building	Furniture & Fixtures	Special costs	Computers	Vehicles	Total
Cost						
As at 01.04.15	4200,52,282.63	3522,29,726.95	1372,46,665.24	849,39,254.33	78,71,087.96	10023,39,017.10
Additions	-	397,32,459.21	179,87,468.78	309,07,049.65	-	886,26,977.64
Disposals	-	75,64,504.50	4,32,937.03	672,17,052.28	-	752,14,493.81
Translation adjustments	252,42,636.44	215,87,662.72	84,77,319.38	46,29,407.16	4,73,005.43	604,10,031.12
As at 31.03.16	**4452,94,919.06**	**4059,85,344.38**	**1632,78,516.38**	**532,58,658.86**	**83,44,093.39**	**10761,61,532.06**
Accumulated Depreciation						
As at 01.04.15	**962,09,258.69**	3111,31,781.03	988,73,722.61	825,85,126.99	63,49,606.66	5951,49,495.97
Additions	219,77,287.24	206,42,297.18	131,13,490.93	67,54,501.33	6,24,674.93	631,12,251.61
Disposals	-	4,12,354.89	48,13,424.36	671,51,691.53	-	723,77,470.78
Translation adjustment	60,69,065.75	189,61,771.96	60,50,285.90	41,72,877.40	3,89,744.24	356,43,745.25
As at 31.03.16	**1242,55,611.68**	**3503,23,495.28**	**1132,24,075.09**	**263,60,814.19**	**73,64,025.83**	**6215,28,022.05**
Carrying Amount						
As at 01.04.15	**3238,43,023.94**	**410,97,945.93**	**383,72,942.63**	**23,54,127.34**	**15,21,481.30**	**4071,89,521.14**
As at 31.03.16	**3210,39,307.39**	**556,61,849.10**	**500,54,441.29**	**268,97,844.68**	**9,80,067.56**	**4546,33,510.01**

Building comprises warehouse in Jebel Ali Free Zone which is constructed on land leased for a period of 10 years, expiring in 2017.

b. Intangibles:

Amount in ₹

Particulars	Software	Total
Cost		
As at 01.04.15	**2802,51,648.87**	**236,826,620.44**
Additions	1156,21,196.00	32,510,675.45
Translation adjustment	-	-
As at 31.03.16	183,53,779.15	**10,914,352.99**
Accumulated Depreciation		
As at 01.04.15	**709,75,979.66**	**40,646,231.44**
Additions	625,67,519.41	27,963,978.03
Translation adjustment	-	-
As at 31.03.16	50,83,617.00	**2,365,770.19**
Carrying Amount		
As at 01.04.15	**2092,75,669.22**	**196,180,389.00**
As at 31.03.16	**2755,99,507.95**	**209,275,669.22**

17 Inventories:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Trading Stocks	71563,90,264.24	6,865,554,456.73
(b) Goods In Transist	978,12,853.13	887,808,942.24
Total	**72542,03,117.36**	**7,753,363,398.97**

18 Trade receivables:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Unsecured, considered good	104684,94,437.70	12,793,576,305.07
Total	**104684,94,437.70**	**12,793,576,305.07**

19 Cash and Cash Equivalents:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Cash on hand	43,66,698.38	4,633,660.92
(b) Balances with banks	3165,81,068.70	462,346,195.89
(c)Margin money with Banks and government	6092,10,285.45	1,130,342,606.88
Total	**9301,58,052.53**	**1,597,322,463.68**

20 Short term Loans and advances:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Loans and advances to related parties	315540,17,778.56	17,273,336,669.17
Security deposits	252,11,771.33	9,648,900.23
Prepaid expenses	1766,20,187.74	142,082,396.30
Others	942,98,047.84	82,802,612.72
Advances to suppliers	8634,52,671.90	154,397,904.35
Total	**327136,00,457.36**	**17,662,268,482.77**

21 Revenue from Operations:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i)Sales	1537808,32,675.38	120,629,624,191.84
(ii) Service Income	-	220,783,708.93
Total	**1537808,32,675.38**	**120,850,407,900.77**

22 Other Income:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Interest Income bank deposits	300,24,813.15	264,961,760.99
Total	**300,24,813.15**	**264,961,760.99**

23 Employee Benefits:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Salaries and Bonus	18346,22,537.50	1,516,916,189.89
Total	**18346,22,537.50**	**1,516,916,189.89**

24 Finance cost:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Interest Expenses	4195,30,579.62	401,628,878.90
Total	**4195,30,579.62**	**401,628,878.90**

25 Other Expenses

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	1493,56,971.72	123,031,770.52
Freight	1546,85,358.97	159,386,986.41
Repairs and Maintenance	209,57,349.85	18,989,820.85
Utilities	161,15,349.09	15,370,286.96
Insurance	1309,53,854.19	146,168,171.69
Communication	1131,53,476.30	80,401,627.05
Advertisement	78654,28,567.50	4,031,387,952.60
Travel	1059,58,560.01	107,716,740.44
Professional Charges	702,89,826.21	68,382,397.78
Software Expenses	2164,41,486.44	206,219,666.33
Bank Charges	701,29,513.46	45,364,934.59
Miscellaneous Expenses	116,75,910.68	73,553,319.83
Total	**89251,46,224.40**	**,075,973,675.04**

26 Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4 to the separate financial statements.

(b) Categories of financial instruments

	2016 ***INR***	***2015*** ***INR***
Financial assets		
Loans and receivables (including cash and cash equivalents	429948,57,780.71	31,523,230,636
Financial liabilities		
At amortised cost	383355,65,813.03	27,773,337,000

(c) Categories of financial instruments

The fair value of financial assets and financial liabilities approximate their carrying values in the statement of financial position as at 31 March 2016.

27 Financial risk management

The financial risk management policies are discussed by the management of the Establishment on a regular basis to ensure that these are in line with the overall business strategies and its risk management philosophy. Management sets policies which seek to minimise potential adverse effects of financial performance of the Establishment. The Management provides necessary guidance/instructions to the employees covering specific areas, such as market risk (foreign exchange and interest rate risk); credit risk and liquidity risk.

The Establishment's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rate and interest rates.

There has been no change to the Establishment exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Foreign currency risk management

The Establishment undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

This is mainly attributable to the exposure to outstanding trade payables and trade receivables at year end.

(a) Interest rate risk management

The Establishment is exposed to interest rate risk as the Establishment borrows funds at floating interest rates. The Establishment's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Establishment's profit for the year ended 31 March 2016 would decrease/increase by AED (2015: decrease/increase by AED 2,602,806). This is mainly attributable to the Establishment's exposure to interest rates on its variable rate borrowings.

(c) Credit risk management

Credit risk arises from credit exposure to outstanding trade receivables. The management of the Establishment has implemented centralised procedures for credit control. Credit risk is minimised through credit insurance and a conservative credit policy. Individual counter-party limits are set in accordance with the credit policy. The Establishment's exposure to credit risk is continuously monitored and the aggregate value of transactions concluded is spread amongst counter-parties. Credit exposure is controlled by counter-party limits that are reviewed and approved by the management regularly. Due to the risk on transactions in the countries in which the Establishment operates, management will, based on past experience and level of risk associated with these transactions, make a provision for losses on such transactions should they consider it necessary.

Trade receivables consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivable.

The Establishment does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The Establishment defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Further details of credit risk on trade receivables are discussed in Note 11 to the separate financial statements.

The Establishment, on occasion, makes payment to suppliers in order to avail settlement discounts based on invoice dates, which could be earlier than the date of receipt of goods and prior to recording the purchase and liability.

(d) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Establishment's short, medium and long-term funding and liquidity management requirements. The Establishment manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by monitoring forecast and actual cash flows and matching the maturity profiles of financial liabilities.

Liquidity risk tables

The following tables detail the Establishment's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Establishment can be required to pay.

	Weighted average interest rate %	**Less than 1 year INR**	**2 - 5 years INR**	**Greater than 5 years INR**	**Total INR**
2016					
Variable interest rate instruments	LIBOR + margin	**129,57,364.39**	**--**	**--**	**129,57,364.39**
Fixed interest rate instruments	1%	**1,33,964.51**	**--**	**--**	**1,33,964.51**
Non- interest bearing instruments	LIBOR + margin	**252,44,220.79**	**--**	**--**	**252,44,220.79**
		383,35,549.69			**383,35,549.69**

	Weighted average interest rate %	**Less than 1 year INR**	**2 - 5 years INR**	**Greater than 5 years INR**	**Total INR**
2015					
Variable interest rate instruments	LIBOR + margin	**8,857,345**	**-**	**-**	**8,857,345**
Fixed interest rate instruments	1%	**76,312.28**	**29,521.03**	**-**	**105,833**
Non- interest bearing instruments	LIBOR + margin	**18,810,150**	**-**	**-**	**18,810,150**
		27,743,808	**29,521.03**	**-**	**27,773,329**

Notes to the financial statements for the year ended 31 March 2016 (continued)

The following tables detail the Establishments remaining contractual maturity for its non-derivative financial assets. The tables have been drawn up based on the cash flows of financial assets based on the earliest date on which the Establishments can collect:

	Weighted average interest rate %	Less than 1 year INR	2 - 5 Years INR	Greater than 5 years INR	Total INR
2016					
Variable interest rate instruments	**2.66**	**--**	**--**	**2784394.763**	**27,84,394.76**
Variable interest rate instruments	**0.30**	**5,44,317.64**	**--**		**5,44,317.64**
Non- interest bearing instruments	--	**396,66,139.99**	**--**		**396,66,139.99**
		402,10,457.63	**-**	**27,84,394.76**	**429,94,852.39**
2015					
Variable interest rate instruments	2.66	**1,060,681**	**-**	**-**	**1,060,681**
Non- interest bearing instruments	0.30	**30,462,550**	**-**	**-**	**30,462,550**
Variable interest rate instruments					
		31,523,231	**-**	**-**	**31,523,231**

28 Capital risk management

The Establishment manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the shareholder through the optimization of the debt and equity balance. The Establishment's overall strategy remains unchanged from the previous year.

The capital structure of the Establishment consists of debt, which includes the bank borrowings disclosed in Notes 17, other financial assets and cash and cash equivalents, as disclosed in Notes 12 and 13, respectively and equity comprising issued capital, reserves and retained earnings as disclosed in statement of changes in equity.

Gearing ratio

The Establishment's risk management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Establishment targets a maximum gearing ratio of 125% determined as the proportion of net debt to equity.

29 Capital risk management (continued)

Gearing ratio (continued)

The gearing ratio at the year end was as follows:

	2016 INR	2015 INR
Debt	129573,70,971.19	8,857,348,427
Less: cash and cash equivalents and other financial assets	-9301,58,052.53	(1,597,322,463.68)
Net debt	120272,12,918.66	**7,260,025,963**
Equity	145683,72,101.89	12,769,465,165
Net debt to equity ratio	**0.83:1**	**0.57:1**

Notes to the financial statements for the year ended 31 March 2016 (continued)

30 Contingent liabilities

	2016 INR	**2015 INR**
Letters of credit	3345468336	596803149
Letters of guarantee	717121324	66,910,806

Margin deposits are held against letters of guarantee

Dividend

During the year ended 31 March 2016, the Directors of the Establishment declared and approved dividend of INR 6419, 64,529.85 (2015 : 681,855,790.60).

31 Commitments

	2016 INR	2015 INR
a) Operating lease - Establishment as lessee		
Minimum lease payments recognised as expense during the year	**1034,97,160.95**	**334,287,528**
b) Capital commitment		
SAP service software implementation payable by the Establishment on behalf of a related party	**–**	**54,627,542**

32 Approval of separate financial statements

The separate financial statements for the year ended 31 March 2016 were approved and signed by the Board of Directors on May, 20, 2016.

May, 20, 2016

For and on Behalf of Board
Sd:-
Director.

REDINGTON EGYPT LIMITED
Standalone Balance Sheet as at 31December,2015

			Amount in ₹	
	Particulars	**Note.No**	**As at 31.12.2015 2014**	**As at 31.12.2014 2013**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	11	422,500.00	440,765.00
	(b) Reserves and surplus	12	85,822,340.52	62,578,933.19
			86,244,840.50	**63,019,698.19**
2	**Non-current liabilities**			
	Deferred tax liabilities (Net)	16	116,669.15	-
			116,669.15	**-**
3	**Current liabilities**			
	(a) Trade payables	13	33,631,709.80	39,427,795.62
	(b)Other current liabilities	14	812,221,723.30	640,016,758.69
	(c) Short-term provisions	15	3,436,699.50	2,304,945.31
			849,290,132.60	**681,749,499.62**
	TOTAL		**935,651,642.25**	**744,769,197.81**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i)Tangible assets	6	5,820,512.10	3,515,268.37
	(b)Deferred tax assets (net)		-	34,573.61
			5,820,512.10	**3,549,841.98**
2	**Current assets**			
	(a) Inventories	7	179,489,770.85	229,145,728.02
	(b)Trade receivables	8	392,599,675.00	303,051,228.60
	(d) Cash and cash equivalents	9	343,314,627.50	185,454,015.87
	(e) Short-term loans and advances	10	14,427,048.35	23,568,383.33
			929,831,121.70	**741,219,355.81**
	TOTAL		**935,651,642.25**	**744,769,197.81**

REDINGTON EGYPT LIMITED

Stand alone statement of Profit and Loss account for the year ended December 31, 2015

Amount in ₹

Particulars	Note. No	31st December,2015	31st December,2014
		2015	**2014**
Income			
Revenue from operations	17	2,845,681,259.14	1,871,493,259.35
Total Revenue		**2,845,681,259.14**	**1,871,493,259.35**
Expenses:			
Purchases of trading stock		2,684,410,679.31	1,932,552,410.24
Changes in inventories of trading stock		49,655,957.17	(147,750,329.44)
Employee benefits	18	33,900,157.78	40,687,384.44
Depreciation & Amortisation	6	1,280,645.25	1,715,860.28
Other expenses	19	43,485,029.31	26,635,472.35
Total expenses		**2,812,732,468.82**	**1,853,840,797.86**
Profit before tax		**32,948,790.33**	**17,652,461.48**
Tax expense:			
Current tax			
Current tax		7,446,067.18	4,908,344.00
Profit after Tax		**25,502,723.15**	**12,744,117.48**

REDINGTON EGYPT LIMITED

Cash Flow Statement for the year ended December 31, 2015

Amount in ₹

Particulars	Year Ended December 31, 2015		Year Ended December 31, 2014	
Cash flow from operating activities:				
Net Profit before taxation	**32,948,790.33**		**17,652,461.48**	
Adjustments for:				
- Depreciation	1,280,645.25		1,715,860.28	
Operating Profit before working capital changes	**34,229,435.58**		**19,368,321.76**	
Decrease in Trade receivables	(89,548,446.40)		(198,243,039.46)	
(Increase) / Decrease in Loans & advances and Other current assets	9,175,908.58		(9,390,158.03)	
(Increase) / Decrease in Inventories	49,655,957.17		(147,750,330.20)	
Increase/ (Decrease) in Trade Payables, Other Current Liabilities & Provisions	167,657,302.13		481,131,969.29	
Cash generated from operations	**171,170,157.07**		**145,116,763.36**	
Direct taxes paid	(7,446,067.18)		(4,908,344.01)	
Net Cash (used in) / generated from operating activities		**163,724,089.89**		**140,208,419.35**
Cash flow from investing activities:				
Purchase of fixed assets	(3,699,883.72)		(655,211.08)	
Net Cash used in investing activities		**(3,699,883.72)**		**(655,211.08)**

<u>Redington Egypt</u>

(Limited Liability Company)

Financial statements for the financial year ended December 31, 2015

Auditor's Report

To the Quotas' owners of Redington Limited Liability Company (LLC):

Report on the Financial Statements

We have audited the accompanying financial statements of Redington Egypt (LLC) , which comprise the balance sheet as at 31 December 2015, and the income statement, statement of changes in Quotes' owners and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Redington Egypt (LLC) as of December 31 2015, and of its financial performance and its cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these financial statements.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company, the financial statements are in agreement thereto.

The financial information included in the General Manager report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the company's books of account.

KPMG Hazem Hassan
Public Accountants & Consultants

Cairo:

1. Background

- Redington Egypt Limited Liability Company established under the provisions of law no 159 for the year 1981 and its executive regulations and articles of association on 8 February 2000. The Company registered in the commercial register under no 4,681 on 9 February 2000.
- The company's objectives are :
  1- Marketing, selling and maintenance of computer hardware, accessories and spare parts.
  2- Performing staff computer training for several organizations and companies.
  The company is launched their operation on February 9, 2000.
- The company's located in 1 Makram Ebeed St.,- Nasr city- Cairo.
- The company's management approved on issuing the financial statements at -------------.

2. Basis of Presentation

Statement of compliance
The financial statements are prepared according to Egyptian Accounting Standards, and in the light of local laws and regulations.

Functional and presentation currency
These financial statements are presented in INR, which is the Group's functional currency.

Use of estimates and judgments
The preparation of financial statements in conformity with Egyptian Accounting Standards 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. Such estimates and assumptions are prepared in the light of past experience and other various reasonable factors. The results of these estimates and assumptions represent the base of the judgments of the carrying values of the assets and liabilities. The actual results may differ from these estimates.

- Estimates and underlying assumptions are reviewed on an ongoing basis.
- Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. Significant Accounting Policies

3-1 Foreign Currencies Translation
The company maintains its accounting records in Egyptian pounds. Transactions in foreign currencies are translated into Egyptian pounds at the prevailing exchange rates at the transaction date. Balances of monetary assets and liabilities in foreign currencies at the balance sheet date are translated at the prevailing exchange rates on that date. Any profits or losses from the translation are recorded in the income statement. Balances of non-monetary assets and liabilities in foreign currencies that are recorded with historical cost translated into Egyptian pounds at the prevailing exchange rates at the transaction date.

3-2 Property and equipment

- Property and equipment are recorded at historical cost less accumulated depreciation and impairment accumulated loss.
- The property and equipment cost includes direct attributable acquisition cost.
- The property and equipment compounds with separate useful life are accounted as independent property and equipment.
- The depreciation of the fixed assets starts when they become useful for the purposes for which they were acquired.
- The depreciation is computed by using the straight line method over the estimated useful life of each type of assets as follows:

• Furniture	8-10 years
• Computers	3 years
• Fitting & Fixtures	5 years
• Office Equipments	8 years
• Software	5 years
• Vehicles	5 years

3-3 Cash and cash equivalents

Cash flow statement is prepared using the indirect method, and for the purpose of preparing the cash flows statement, the cash and cash equivalents includes cash balances, current account balances and time deposits which mature within three months from the date of acquisition.

3-4 Inventory

Inventory are valued at cost or net selling value which is less, the cost is determined using first in first out (FIFO) method and the net selling value is determined based on the estimated sale price less direct sale expense.

3-5 Receivables

Receivable are stated at amortized cost, net of impairment loss on receivable.

3-6 Debtors

Debtors are stated at amortized cost, net of impairment loss of from debtors and other debit balances.

3-7 Impairment

Financial assets

Financial assets are considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that assets.

- An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.
- An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.
- Individually significant financial assets are tested for impairment on an individual basis.
- The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.
- All impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in Quotas' owners is transferred to profit or loss.
- An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in Quotas' owners.

Non-financial assets

- The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
- The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).
- An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.
- In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3-8 Creditors and other liabilities

Other payable are recognized by cost.

3-9 Capital

Quotas issuance

Costs directly related to the issuance of Quotas are recorded as a reduction of owners Quotas.

Dividend Payments

Dividend is considered as liability at the period of declaring the payment.

3-10 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognized when all the following conditions are satisfied:

i) The amount of revenue can be measured reliably.

ii) It is probable that the economic benefits associated with the transaction will flow to the entity;

iii) The stage of completion of the transaction at the balance sheet date can be measured reliably; and

iv) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is recognized on accrual basis.

Service charge is recognized after performing the service and issuing the invoice.

3-11 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the obligation amount can be made.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate to take such effect into consideration. Provisions are reviewed at each balance sheet date and adjusted, if required, to reflect the best current estimate.

3-12 Expenses

Lease payments

Payments made under operating leases are recognized in income statement on a straight-line basis over the term of the lease contract.

Income tax

- Provision is formed to encounter the tax liabilities and disputes expected for the previous years based on the opinion of the management in the light of the income tax claims and after conducting the studies required in this regard.
- The tax burden for the financial year including the current tax amount and the deferred tax shall be charged to the income statement.
- The income tax shall be recorded as expenses or revenue in the income statement except for those related to items recorded directly under Quotas' owners, then the income tax shall be treated directly within Quotas' owners, unless such items that were recorded under Quotas' owners were returned to the tax bases according the provisions of the local tax laws when preparing the tax return and determining the current tax of the year, in this case the deferred tax related to such items shall be recognized in the income statement.

Current Tax

The current tax is to be calculated based on the tax bases determined in compliance with the law, regulations and instruction applicable in that respect using the prevailing tax rate on the date of preparing the financial statements.

Deferred Tax

- While the value of the deferred tax is to determine through the use of tax rates expected to be applied within the period in which the liability shall be settled or the asset shall be utilized based on the tax rates and the tax laws that are in effect on the balance sheet date.
- The deferred tax assets and liabilities are represented in the tax effects expected in relation to the temporal differences resulting from the differences between the value of assets and liabilities based on the tax bases applicable in the Egyptian tax Law and its executive regulations and the carrying value of such assets and liabilities according to the accounting principles used in preparing the financial statements.
- All deferred tax liabilities (resulting from temporal differences that are taxable in the future) shall be particularly recognized, while the deferred tax assets are not recorded unless there is strong probably to decrease future tax profits or if there is convincing evidence that sufficient tax profits shall be achieved in the future.
- The carrying value of the deferred tax assets is to be reviewed on each balances sheet date. The carrying value of the deferred tax assets when it is unlikely that the future tax profit shall allow for absorbing the deferred tax asset or a part thereof. The balance sheet method is used to determine the deferred tax assets and liabilities and they are to classify under the long-term assets and liabilities.

3-13 Earnings per Quota

The company discloses earning per Quota in the profits/losses. Earnings per Quota are calculated by dividing the profit or losses at the company's weighted average number of ordinary Quotas of existing during the period.

3-14 Accounting estimates

The preparation of the financial statements according to the Egyptian Accounting Standards require that the management use estimates and assumptions that affect the values of the assets and liabilities and the revenues and expenses during the financial periods and years. The actual results may be different from those estimates.

4. Financial instruments

Financial instruments

- Financial instruments of the company are represented in its financial assets and liabilities, the assets include (receivables, debtors, cash and cash equivalents, due to related parties and creditors and other liabilities).
- According to the applied valuation basis of the company's assets and liabilities included in the notes to the financial statements, the fair value of the financial instruments does not substantially differ from its book value at balance sheet date.

Risk management related to the financial instruments

Credit risk

Receivables balances and are exposed to credit risk which is represented in the inability of these parties to repay a part or all of these balances at maturity date.

The company follows the following procedures in order to minimize the credit risk to the minimum limit:

- Analysis for receivables regarding their financial strength.
- Periodic follow-up for the debit balance receivables to provide the necessary provisions for doubtful debts in the light of company policy.
- During the agreement, the company undertakes analysis to determine the ability of the client to pay the debit balance.

Foreign currency risk

The nature of the company's activity requires it to deal in many foreign currencies, which exposes the company to the risk of fluctuations in foreign currencies exchange rates. To minimize this risk, the company takes the necessary action to meet any contingent losses, which may result from exchange rate fluctuations by keeping and monitoring foreign currency positions for each currency.

5. New Issues and Amendments issued to the Egyptian Accounting standards(EAS)but not adopted.

During the year 2015 , a modified version of Egyptian accounting standards (EAS) was issued including some of the new accounting standards and the amendments to some existing standards provided that they shall comeinto force for the financial periods that start after January 1, 2016, while taking into consideration that the early implementation of these standards is not permissible.

In the following table we shall review the most prominent amendments on the Egyptian Accounting standards (EAS) that may have a significant impact on the financial statements of the company at the beginning of the implementation thereof .

New or Amended standards	**Summary of the most significant amendments**	**Possible impact on the financial statements.**
EAS (1) Presentation of Financial statements	Financial position statement • The standard does not require presenting the working capital presentation. • The reference financial statements that was included in 2006 standards was excluded; which presented the working capital presentation. • A statement shall be added to the statement of financial position including balances of the beginning of the first presented comparative period in case of retrospective implementation or change in an accouting policy or reclassification carried out by the entity.\	• Re-presenting all the presented financial statements, disclosures and their accompanying notes including the comparative figures to be in conformity with the required amendments to the standard.

	• <u>Income statement/Profit or Loss /statement of Comprehensive income.</u> The entity shall recognize all income/ expense captions during the financial periods in two separate statements ;one of them presents the profit or loss components (income statement)and the other one starts with the profit or loss and presents the other comprehensive income items.(statement of comprehensive income.)	• Adding a new statement, statement of comprehensive income,for the current and comparative period.

6. **<u>Fixed Assets:</u>**

Amount in ₹

				Amount in ₹	
Particulars	**Furniture & Fixtures**	**Office equipments**	**Computers**	**Vehicles**	**Total**
Cost					
As at 01.01.15	9,833,608.19	2,965,607.96	3,383,479.63	2,042,064.25	18,224,760.04
Additions	35,57,923.43	-	1,41,960.29	-	36,99,883.72
Translation adjustments	(3,60,913.38)	(1,22,892.76)	(1,38,350.37)	(84,621.75)	(7,06,778.25)
As at 31.12.15	**130,30,618.25**	**28,42,715.20**	**33,87,089.55**	**19,57,442.50**	**212,17,865.50**
Accumulated Depreciation					
As at 01.01.15	78,51,144.19	18,44,716.12	30,20,421.50	19,93,209.85	147,09,491.67
Additions	7,54,983.50	2,88,282.80	1,91,154.28	46,224.67	12,80,645.25
Translation adjustment	(3,15,460.89)	(72,669.23)	(1,22,661.38)	(81,992.02)	(5,92,783.52)
As at 31.12.15	**82,90,666.80**	**20,60,329.70**	**30,88,914.40**	**19,57,442.50**	**153,97,353.40**
Carrying Amount					
As at 01.01.15	**19,82,464.00**	**11,20,891.84**	**3,63,058.13**	**48,854.39**	**35,15,268.37**
As at 31.12.15	**47,39,951.45**	**7,82,385.50**	**2,98,175.15**	**-**	**58,20,512.10**

6.b. Intangible assets (Software)

Amount in

Particulars	Software
Cost	
As at 01.01.15	**80,677.63**
Translation adjustment	(3,343.23)
As at 31.12.15	**77,334.40**
Accumulated Depreciation	**Software**
As at 01.01.15	**80,677.63**
Translation adjustment	(3,343.23)
As at 31.12.15	**77,334.40**
Carrying Amount	**Software**
As at 01.01.15	**-**
As at 31.12.15	**-**

7. Inventories:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Trading Stocks	1794,89,770.85	229,145,728.02

8. Trade receivables:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Unsecured, considered good	3925,99,675.00	303,051,228.60

9. **Cash and cash equivalents:**

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
(a) Cash on hand	396,36,203.75	11,837,704.94
(b) Balances with banks	3036,78,423.75	173,616,310.93
Total	**3433,14,627.50**	**185,454,015.87**

10. **Short Term Loans and advances:**

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
(a) Advances to Employees	11,19,430.65	
(b) Prepaid expenses - Unsecured, considered good	14,58,478.45	3,051,900.94
(c) Prepaid Taxes	106,59,497.55	11,120,315.83
(d) Sales tax credit receivable	11,89,641.70	9,396,166.58
Total	**144,27,048.35**	**23,568,383.35**

11.Share Capital:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Issued, Subscribed and Paid up	4,22,500.00	440,765.00

12. Reserves and Surplus:

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Dec-15**	**31-Dec-14**
Opening Balance	589,83,209.99	46,239,092.52
Add: Current year profit	255,02,723.15	12,744,117.48
Closing Balance	**844,85,933.15**	**58,983,209.99**
(b) Statutory Reserves		
Particulars	**31-Dec-15**	**31-Dec-14**
Opening Balance	5,59,004.62	563,988.88
CTA	(23,164.77)	(4,984.26)
Closing balance	**5,35,839.85**	**559,004.62**
(c) Foreign Currency Translation reserve		
Particulars	**31-Dec-15**	**31-Dec-14**
Opening balance	30,36,718.58	3,220,151.74
Movement during the year	(22,36,151.05)	(183,433.16)
Closing balance	**8,00,567.53**	3,036,718.58
Total	**858,22,340.52**	**62,578,933.19**

***Statutory reserve:**

The legal reserve should be formed from the net profit with a percentage of 5% at least, and when the balance of this legal reserve equal to 50% of paid-up capital, such reserve will be stopped, and back to increase after when the paid-up capital increased.

13. Trade Payables:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Expense Payable		11,986,136.96
(b) Statutory Payable		4,554,107.39
(c) Other Payables		22,887,551.26
Total		**39,427,795.62**

14. Other Current Liabilites:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Due to related parties	8122,21,723.30	640,016,758.69

15. Short-Term Provisions:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Others	34,36,699.50	2,304,945.31

16. Deferred Tax Liability:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Net Deferred Tax Liability	1,16,669.15	-

17. Revenue from Operations:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
(i) Sales	28408,63,784.32	1,867,836,762.13
(ii) Service Income	48,17,474.82	3,656,497.22
Total	**28456,81,259.14**	**1,871,493,259.35**

18. Employee benefits:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Salaries and Bonus	339,00,157.78	40,687,384.44

19. Other Expense:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Rent	106,28,229.58	11,306,293.63
Repairs and Maintenance	12,88,760.84	567,966.00
Insurance	11,12,986.98	-
Communication	29,24,340.17	2,529,424.56
Printing &stationery	6,16,768.23	
Advertisement	38,09,515.09	4,091,261.92
Travel	14,04,189.07	
Professional Charges	15,61,771.66	1,026,387.31
Exchange Gain/(Loss) Net	(96,995.07)	(88,455.14)
Electricity charges	8,98,203.24	
Bank Charges	11,03,286.64	2,996,904.00
Miscellaneous Expenses	182,33,972.88	4,205,690.06
Total	**434,85,029.31**	**26,635,472.35**

20. Tax position:

20-1-<u>Income Tax</u>
The Company present its tax return annually on the due dates to the tax authority and pay its tax liability according to its tax return. There are no tax claims till date.

<u>20-2 Salary tax</u>

- The company pay its tax liability on monthly basis, in the light of previous tax law of Egypt.
- The company's books has inspected till year 2008 and paid tax differences.
- The company’s books has not inspected for the next periods until year 2014.

20-3 Stamp tax

- The company's books has inspected till year 2006 and paid tax differences. There are no tax claims till year 2014 on the company

20-4 Sales tax

- The company's books has inspected till year 2012 and paid tax differences.
- The Company present its tax return on the due dates to the tax authority There are no tax claims up to date on the company.

21. Subsequent and significant events

- The Arab Republic of Egypt has encountered certain events during the financial year ended 2014 that have a significant impact on the economic sectors in general, a matter in which may lead to a substantial decline in the economic activities, the effect of these events relies on the expected extent and the time frame, when these events and their consequences, are expected to be finished.

22. Translation

- These financial statements are a translation into English from original Arabic statements. The original Arabic statements are the official financial statements.

REDINGTON NIGERIA LIMITED
Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	Note.No	As at 31.3.2016	As at 31.3.2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	3,332,000.00	3,140,000.00
	(b) Reserves and surplus	4	(14,662,132.80)	(22,392,740.94)
			(11,330,132.80)	**(19,252,740.94)**
2	**Non-current liabilities**			
	(b) Deferred tax liabilities (Net)	14	3,453,951.20	-
	(d) Long-term provisions	6	10,571,769.60	11,742,985.96
			14,025,720.80	**11,742,985.96**
2	**Current liabilities**			
	(a) Trade payables	5	124,032,034.00	35,900,232.35
	(b)Other current liabilities	7	1,847,560,013.60	72,680,188.37
	(c) Short-term provisions	8	11,881,912.00	5,183,851.27
			1,983,473,959.60	**113,764,271.99**
	TOTAL		**1,986,169,547.60**	**106,254,518.41**
B	**ASSETS**			
1	**Non-current assets**			
	Fixed assets-Tangible assets	9	33,668,860.40	9,397,078.00
	(ii)Intangible assets		105,624.40	162,338.00
			33,774,484.80	**9,559,416.00**
2	**Current assets**			
	(a) Inventories	10	578,670,439.20	40,908,556.79
	(b)Trade receivables	11	231,840,560.00	9,007,203.35
	(c) Cash and cash equivalents	12	1,083,453,112.00	26,870,633.84
	(d) Short-term loans and advances	13	58,430,951.60	19,908,708.42
			1,952,395,062.80	**96,695,102.40**
	TOTAL		**1,986,169,547.60**	**106,254,518.40**
	e accompanying notes forming part of Balance Sheet			

REDINGTON NIGERIA LIMITED

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note.No	March 31,2016 2015-16	March 31,2015 2014-15
Income			
Revenue from operations	15	2,399,870,561.54	469,353,740.71
Other income		-	-
Total Revenue		**2,399,870,561.54**	**469,353,740.71**
Expenses:			
Cost of Materials consumed			
Purchases of trading stock		2,184,208,419.57	291,270,335.98
Changes in inventories of trading stock		(537,761.88)	(12,650.21)
Employee benefits	16	100,687,759.62	82,107,602.74
Depreciation & Amortisation	9	6,513,126.92	6,990,551.64
Other expenses	17	95,527,505.77	80,144,524.03
Total expenses		**2,386,399,050.00**	**460,500,364.18**
Profit before tax		**13,471,511.54**	**8,853,376.52**
Current tax		6,549,957.69	-
Profit after Tax		6,921,553.85	8,853,376.52
Profit for the Year		**6,921,553.85**	**8,853,376.52**
See accompanying notes forming statement of Profit and loss			

REDINGTON NIGERIA LIMITED

Cash Flow Statement for the year ended March 31, 2015

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
Cash flow from operating activities:				
Net Profit before taxation	**13,471,511.54**		**8,853,376.52**	
Adjustments for:				
- Depreciation	6,513,126.92		6,990,551.64	
Operating Profit before working capital changes	**19,984,638.46**		**15,843,928.16**	
Decrease in Trade receivables	(222,833,356.65)		13,315,731.85	
(Increase)/Decrease in Loans & advances and Other current assets	(38,522,243.18)		118,182,928.18	
(Increase)/ Decrease in Inventories	(537,761,882.41)		(12,650,209.39)	
Increase/(Decrease) in Trade Payables, Other Current Liabilities & Provisions	1,871,992,422.44		(143,808,117.36)	
Cash generated from operations	**1,092,859,578.67**		**(9,115,738.57)**	
Direct taxes paid	(6,549,957.69)		(5,971,280.90)	
Net Cash (used in) / generated from operating activities		**1,086,309,620.98**		**(15,087,019.47)**
Cash flow from investing activities:				
Purchase of fixed assets	(32,549,521.15)			
Net Cash used in investing activities		**(32,549,521.15)**		-
Cash flow from financing activities:				
Net Cash generated from financing activities		-		-
Net (decrease) / increase in cash and cash equivalents		**1,053,760,099.83**		**(15,087,019.47)**
Cash and cash equivalents at the beginning of the year		**26,870,633.84**		**27,780,839.80**
Currency Translation Adjustment		2,822,378.34		14,176,813.51
Cash and cash equivalents at the end of the year		**1,083,453,112.00**		**26,870,633.84**

REDINGTON NIGERIA LIMITED

FINANCIAL STATEMENTS
31 MARCH, 2016

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF REDINGTON NIGERIA LIMITED

We have audited the accompanying financial statements of Redington Nigeria Limited, which comprise the balance sheet as at 31 March 2016, the income statement, statement of cash flows, statement of value added for the year then ended, summary of the significant account policies, financial summary and other explanatory information.

Directors Responsibility for the Financial Statements
The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004 and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Redington Nigeria Limited as at 31 March 2016, and of its financial performance and its cash flows for the year then ended; the company has kept proper books of account, which are in agreement with the balance sheet and income statements in the manner required by the Companies and Allied Matters Act, CAP C20, LFN 2004 and in accordance with the Statements of Accounting Standards issued by the Nigerian Accounting Standards Board.

Other reporting responsibilities
In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Company has kept proper books of account, so far as appears from our examination of those books.

iii) The Company's statements of financial position and its statements of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Emphasis of matter

We draw attention to accumulated losses, working capital deficiency and erosion of shareholder's fund. Our opinion is not qualified in respect of this matter.

Chartered Accountants
Lagos, Nigeria
20,May,2016

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2016

The following are the significant accounting policies which have been adopted by the company in the preparation of financial statements.

a) Basis of accounting

The financial statements are prepared under the historical cost conversion.

b) Turnover

Turnover represents the net value of goods and services rendered to third parties during the year.

c) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation.

d) Depreciation

Depreciation is provided to write off the cost of fixed assets in equal annual installments over their estimated useful lives at the following rates (in %):

Furniture and fittings	-	20
Motor Vehicles	-	33 1/3
Office equipment	-	20
Computers	-	20

e) Stocks

Stocks are stated at the lower of cost and net realizable value after making adequate provisions for obsolete and damaged stocks. Cost comprises suppliers invoice price and where appropriate, freight and other charges incurred to bring the materials to their location and condition. Goods in transit are valued at invoice price.

f) Debtors

Debtors are stated after specific provisions for debts considered doubtful of recovery.

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2015

g) Foreign currencies

Transactions arising in foreign currencies are recorded in Naira at the rates of exchange ruling at the time they arise. Assets and liabilities existing in foreign currencies are converted to Naira at the rates applicable at the balance sheet date. Gains and losses arising there from are dealt with in the profit and loss account.

h) Deferred taxation

Deferred taxation is provided by the liability method which represents taxation at the current rate of corporate income tax on the difference between the net book value of fixed assets qualifying for capital allowances and their corresponding written down values.

i) Taxation

Income tax and education tax payable are provided on taxable profits at the current statutory rate

j) Employees retirement scheme

The company makes provision for retirement benefits in accordance with the provisions of the pension reform act of 2004 with the employee and employer contributing 7.5% respectively.

k) Provisions

Provision is recognized when the company has a present obligation whether legal or constructive, as a result of a past event for which it is probable that as outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation in accordance with statement of Accounting standard.

l) Equity settled shared based payments

Share purchase options granted by the holding company to employees under the Group's Employee Stock Option Plan are measured at the fair value of the equity instruments at the grant date. The fair value is expensed over the vesting period based on the management's estimate of equity instruments that will eventually vest. At each balance sheet date, management revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss over the remaining vesting period, with a corresponding adjustment to the equity settled employee benefits reserve.

m) Segment reporting

The company's business segments are presented by line of business that are subject to similar risks and returns. All the company's revenue are derived from Nigeria. Segment revenue and cost represent operating revenue and expenses respectively that are directly attributable to the business segment.

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2016

1. THE COMPANY

1.1 Legal form

Redington Nigeria Limited was incorporated in October 2002. It commenced commercial operations in April 2004. This reporting currency for these financial statements is the Nigerian Naira.

Redington Gulf FZE is the ultimate holding company with 99% of the issued share capital.

1.2 Principal activities

The company is engaged in the sales and services of computer systems and telecommunication equipment.

2. GOING CONCERN CONSIDERATIONS

As of 31 March 2016, the company had accumulated Losses of INR 298,84,708 (2015:INR 347,71,732) and working capital deficiency of INR 30672.80 ₹. (2015 INR 21001.59:). The financial statements have been prepared on a going concern basis because Redington Gulf FZE the holding Company has confirmed to support the on going operations of the subsidiary, Redington Nigeria Limited.

The charge for taxation has been computed in accordance with provision of the Companies' income tax Act, CAP C20 LFN 2004 as amended to date and the Education tax, CAP E 4 LFN 2004. Deferred tax is computed using liability method.

2.1 Adoption of new and revised IFRS standards

Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements were issued but are not yet effective. Early adoption is permitted for some of the IFRSs and IFRIC Interpretations listed below. However, the Company has not applied any in the preparation of these financial statements. The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the Company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

Pronouncement	Nature of change
IFRS 9 IFRS 15 Amendments to IFRS 11	Financial Instruments 5 Revenue from Contracts with Customers 4 Accounting for Acquisitions of Interests in Joint

	Operations 3
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation 3
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants 3
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions 1
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle 2
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle 1

1 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

2 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

3 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted

4 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted

. 5 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods.

- Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have 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, are measured at FVTOCI.

- All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss .

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss

- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

- The directors of the Company anticipate that the application of IFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Entity undertakes a detailed review.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.
A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to IFRS 11 will have a material impact on the Entity's financial statements.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or
b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Entity's financial statements.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 41 will have a material impact on the Entity's financial statements as the Entity is not engaged in agricultural activities

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments to IAS 19 will have a significant impact on the Entity's financial statements.

Annual Improvements to IFRSs 2010-2012 Cycle

The Annual Improvements to IFRSs 2010-2012 Cycle include a number of amendments to various IFRSs, which are summarised below.

(i) The amendments to IFRS 2 change the definitions of 'vesting condition' and 'market condition'; and
(ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'.

The amendments to IFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit or loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to IFRS 8

(i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and

(ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.
The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Entity's financial statements.

Annual Improvements to IFRSs 2011-2013 Cycle

The Annual Improvements to IFRSs 2011-2013 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.
The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of IAS 40; and
(b) the transaction meets the definition of a business combination under IFRS 3.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Entity's financial statements.

3. Share Capital :

Amount in₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up	33,32,000.00	3,140,000.00

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2016

4. Reserves and Surplus:

Amount in₹

(a) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	(392,67,214.71)	(40,672,538.12)
Add: Current year profit	69,21,553.85	8,853,376.63
Transfer to Statutory Reserves	--	(74,48,053.11)
Closing Balance	**(323,45,660.86)**	**(39,267,214.60)**
(b) Employee share purchase reserve		
Opening Balance	65,94,314.00	-
Movement during the year	75,51,951.92	7,448,053.11
CTA	5,03,205.28	(853,739.11)
Closing balance	**146,49,471.20**	**6,594,314.00**
(c) Foreign Currency Translation reserve		
Opening balance	163,34,393.77	(2,571,698.48)
Movement during the year	7,76,030.29	18,906,092.25
Closing balance	**171,10,424.06**	**16,334,393.77**
(c) Other reserve		
Opening balance	5,40,080.00	625,048.00
CTA	33,024.00	(84,968.00)
Closing balance	**5,73,104.00**	**540,080.00**
Total	**(146,62,132.80)**	**(22,392,740.83)**

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2016

5. Trade Payables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trade Payables	269,77,204.80	8,256,992.83
(b) Expense Payable	970,54,829.20	27,643,239.52
Total	**1240,32,034.00**	**35,900,232.35**

***Details of Amount due to related parties are as follows**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Redington Gulf FZE ,Dubai	16255,76,176.00	72,680,189.65
Redington Africa distribution	-	-
Distribution Limited, Dubai	-	-
Cadensworth FZE	-	-
Ensure Solutions Nigeria	2219,83,837.60	-
Redington Arabia Ltd	-	-

6. Long-term Provisions:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Provision for employee benefits:	105,71,769.60	11,742,985.96
Total	**105,71,769.60**	**11,742,985.96**

7. Other current liabilities:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Due to related parties	18475,60,013.60	72,680,189.65
Total	**18475,60,013.60**	**72,680,189.65**

8. Short Term Provisions:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Provision For Taxation	118,81,912.00	5,183,851.27
Total	**118,81,912.00**	**5,183,851.27**

9. Fixed Assets:

Particulars	**Furniture & Fixtures**	**Office equipments**	**Computers**	**Motor Vehicles**	**Total**
Cost					
As at 01.04.15	**336,96,910.00**	**55,39,588.00**	**83,37,014.00**	**110,85,142.00**	**586,58,654.00**
Additions	153,64,678.85	86,486.54	133,49,509.62	37,48,846.15	325,49,521.15
Translation adjustments	22,63,872.75	3,01,039.51	6,86,523.58	7,27,451.45	10,45,908.45
As at 31.03.16	**513,25,461.60**	**29,94,135.20**	**223,73,047.20**	**155,61,439.60**	**922,54,083.60**
Accumulated Depreciation					
As at 01.04.15	**300,78,374.00**	**18,29,678.00**	**65,96,826.00**	**107,56,698.00**	**492,61,576.00**
Additions	30,08,942.31	4,91,296.15	21,93,403.85	7,53,715.38	64,47,357.69
Translation adjustments	18,82,895.46	1,17,303.29	4,26,731.18	6,67,713.42	30,94,643.35
As at 31.03.16	**352,62,556.00**	**23,56,723.60**	**87,87,816.80**	**121,78,126.80**	**585,85,223.20**
Carrying Amount					
As at 01.04.15	**36,18,536.00**	**37,09,910.00**	**17,40,188.00**	**3,28,444.00**	**93,97,078.00**
As at 31.03.16					

	160,62,905.60	**6,37,411.60**	**135,85,230.40**	**33,83,312.80**	**336,68,860.40**

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2016

10. Inventories:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Trading Stocks	5786,70,439.20	40,908,556.79
Total	**5786,70,439.20**	**40,908,556.79**

11. Trade receivables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured, considered good	2318,40,560.00	9,007,203.35
Total	**2318,40,560.00**	**9,007,203.35**

12. Cash and Cash Equivalent:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	2,01,586.00	169,898.49
(b) Balances with banks	10832,51,526.00	26,700,735.35
Total	**10834,53,112.00**	**26,870,633.84**

13. Short term Loans and advances:

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Loans & advances to related parties Unsecured, considered good	375,85,626.40	8,883,578.41
(b) Security deposits	16,50,672.80	219,800.00
(c) Loans and advances to employees	16,98,320.40	1,469,106.46
(d) Prepaid expenses	107,82,685.20	9,336,223.54
(e) Others	67,13,646.80	-
Total		

	584,30,951.60	**19,908,708.42**

Amount in ₹INR

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2016

***Due from Related Parties**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Ensure Solutions Nigeria Limited	-	8,883,578.41
RNDC Alliance West Africa	375,64,634.80	
Redington Ghana	20,991.60	

14. Deferred Tax Liablities

Particulars	**31-Mar-16**	**31-Mar-15**
Deferred Tax liability	34,53,951.20	-

15. Income from Operations:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i)Sales	23998,70,561.54	469,353,740.81
(ii)Supplier Rebates	-	-
Total	**23998,70,561.54**	**469,353,740.81**

16. Employee benefits:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Salaries and Bonus	1006,87,759.62	82,107,602.74
Total	**1006,87,759.62**	**82,107,602.74**

17. Other Expense:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	154,69,909.62	17,463,680.23
Bank Charges	37,46,544.23	1,894,916.15
Repairs and Maintenance	136,91,180.77	20,010,332.75
Utilities	-	3,633,511.21
Communication	57,80,786.54	5,299,533.05
Printing and Stationery	6,57,363.46	819,973.87
Advertisement	-	7,550,558.83
Travel	59,28,438.46	9,809,389.89
Professional Charges	30,10,257.69	4,624,212.21
Exchange Loss	281,32,130.77	
Auditor's Remuneration	42,75,000.00	4,061,070.38
Miscellaneous Expenses	148,35,894.23	4,977,345.47
Total	**955,27,505.77**	**80,144,524.03**

18. Contingent Liabilities and Capital commitments:

There were no significant contingent liabilities as at 31st March 2016 is NIL (31st March 2015-Nil)

19. Post Balance sheet Events:

There were no significant post balance Sheet events which would have had any material effect on the balance sheet at 31st March 2015 and the profit for the year ended on that date, which have not been adequately provided for or disclosed in these financial statements

20. Comparative figures:

Certain prior year figures have been reclassified in line with current year's presentation for more meaningful comparison.

REDINGTON GULF & CO LLC
Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	**Note No.**	**As at 31.3.2016**	**As at 31.3.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	10	25,813,500.00	24,350,625.00
	(b) Reserves and surplus	11	31,760,930.40	27,069,453.45
			57,574,430.40	**51,420,078.45**
2	**Non-current liabilities**			
	Long-term provisions	12	3,566,221.07	3,085,386.53
			3,566,221.07	**3,085,386.53**
3	**Current liabilities**			
	(a)Trade payables	13	118,574,828.52	179,527,742.55
			118,574,828.52	**179,527,742.55**
	TOTAL		**179,715,479.99**	**234,033,207.53**
B	**ASSETS**			
1	**Non-current assets**			
	Fixed assets			
	Fixed assets-Tangible assets	5	868,882.41	885,875.74
			868,882.41	**885,875.74**
2	**Current assets**			
	(a) Current investments			-
	(a) Inventories	6	12,348,490.04	5,516,390.59
	(b)Trade receivables	7	50,874,794.61	71,336,454.64
	(c) Cash and cash equivalents	8	13,735,191.26	34,572,205.69
	(d) Short-term loans and advances	9	101,888,121.67	121,722,280.88
			178,846,597.58	**233,147,331.79**
	TOTAL		**179,715,479.99**	**234,033,207.53**
	See accompanying notes forming part of Balance sheet			

REDINGTON GULF & CO LLC

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note No	31st March,2016	31st March,2015
		2015-16	**2014-15**
Income			
Revenue from operations	14	302,867,334.52	265,530,381.09
Other income	15	2,743,211.16	-
Total Revenue		**305,610,545.68**	**265,530,381.09**
Expenses:			
Purchases of trading stock		257,123,173.34	213,339,392.96
Changes in inventories of trading stock		(6,132,299.06)	4,890,648.87
Employee benefits	16	31,667,173.36	27,648,136.49
Depreciation & Amortisation	5	577,616.12	906,228.06
Other expenses	17	18,582,552.00	16,456,656.78
Total expenses		**301,818,215.76**	**263,241,063.16**
Profit before tax		**3,792,329.92**	**2,289,317.92**
Tax expense:			
Current tax		777,827.04	
Profit after Tax		**3,014,502.88**	**2,289,317.92**
See accompanying notes forming part of Statement of Profit and Loss			

REDINGTON GULF & CO LLC

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**3,792,329.92**		**2,289,317.92**	
Adjustments for:				
- Depreciation	577,616.12		906,228.06	
Operating Profit before working capital changes	**4,369,946.04**		**3,195,545.98**	
(Increase)/ Decrease in Trade receivables	20,461,660.03		3,421,134.70	
(Increase)/Decrease in Loans & advances and Other current assets	19,834,159.21		(5,857,096.08)	
Increase in Inventories	(6,832,099.45)		4,890,648.87	
Increase in Trade Payables, Other Current Liabilities & Provisions	(60,472,079.49)		5,474,011.58	
Cash generated from operations	**(22,638,413.67)**		**11,124,245.07**	
Direct taxes paid	(777,827.04)			
Net Cash (used in) / generated from operating activities		**(23,416,240.71)**		**11,124,245.07**
Cash flow from investing activities:				
Purchase of fixed assets	(508,566.20)		(250,979.90)	
Net Cash used in investing activities		**(508,566.20)**		**(250,979.90)**
Cash flow from financing activities:				
Net Cash generated from financing activities		-		
Net (decrease) / increase in cash and cash equivalents		**(23,924,806.91)**		**10,873,265.17**
Cash and cash equivalents at the beginning of the year		**34,572,205.69**		**21,737,064.09**
Currency Translation Adjustment		3,087,792.48		1,961,876.43
Cash and cash equivalents at the end of the year		**13,735,191.26**		**34,572,205.69**

REDINGTON GULF & CO. LLC

Report and financial statements
for the year ended 31 March 2016

REDINGTON GULF & CO. LLC

Report and financial statements for the year ended 31 March 2016

Independent auditor's report
to the shareholders of
Redington Gulf & Co. LLC

Report on the financial statements

We have audited the accompanying financial statements of **Redington Gulf & Co. LLC**, (the "Company"), which comprise of the statement of financial position as at 31 March 2016, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 3 to 21.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent auditor's report
to the shareholders of
Redington Gulf & Co. LLC (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Redington Gulf & Co. LLC** as of 31 March 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte & Touche (M.E.) & Co. LLC
Muscat, Sultanate of Oman
30 June 2016

REDINGTON GULF & CO. LLC

Statement of financial position
at 31 March 2016

	Notes	2016 RO	2015 RO
ASSETS			
Non-current assets			
Property and equipment	**5**	**5,049**	5,457
Current assets			
Inventories		**71,756**	33,981
Trade and other receivables	**6**	**887,692**	1,189,243
Cash and cash equivalents	**7**	**79,814**	212,965
Total current assets		**1,039,262**	1,436,189
Total assets		**1,044,311**	1,441,646
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**8**	**150,000**	150,000
Legal reserve	**9**	**24,477**	22,696
Retained earnings		**160,083**	144,052
Total equity		**334,560**	316,748
Non-current liability			
End of service benefits	**10**	**20,723**	19,006
Current liability			
Trade and other payables	**11**	**689,028**	1,105,892
Income tax payable	**14**	**-**	-
Total current liabilities		**689,028**	1,105,892
Total liabilities		**709,751**	1,124,898
Total equity and liabilities		**1,044,311**	1,441,646

Director

The accompanying notes form an integral part of these financial statements.

REDINGTON GULF & CO. LLC

Statement of profit or loss and other comprehensive income for the year ended 31 March 2016

	Notes	2016 RO	2015 RO
Revenue		**1,789,573**	1,671,600
Cost of sales		**(1,483,047)**	(1,373,829)
Gross profit		**306,526**	297,771
General and administrative expenses	**12**	**(300,327)**	(283,359)
Other income	**13**	**16,209**	-
Profit for the year before tax		**22,408**	14,412
Taxation	**14**	**(4,596)**	-
Profit for the year and total comprehensive income		**17,812**	14,412

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
for the year ended 31 March 2016

	Share capital RO	Legal reserve RO	Retained earnings RO	Total RO
At 1 April 2014	150,000	21,255	131,081	302,336
Profit for the year and total comprehensive income	-	-	14,412	14,412
Transfer to legal reserve	-	1,441	(1,441)	-
At 1 April 2015	**150,000**	**22,696**	**144,052**	**316,748**
Profit for the year and total comprehensive income	**-**	**-**	**17,812**	**17,812**
Transfer to legal reserve	**-**	**1,781**	**(1,781)**	**-**
At 31 March 2016	**150,000**	**24,477**	**160,083**	**334,560**

The accompanying notes form an integral part of these financial statements.

REDINGTON GULF & CO. LLC

Statement of cash flows
for the year ended 31 March 2016

	2016 RO	2015 RO
Operating activities		
Profit before income tax	**22,408**	14,412
Adjustments for:		
Depreciation of property and equipment	**3,413**	5,705
Provision for end of service benefits	**6,500**	7,075
Operating profit before changes in working capital	**32,321**	27,192
Changes in working capital:		
Inventories	**(37,775)**	32,792
Trade and other receivables	**301,551**	33,819
Trade and other payables	**(416,864)**	(12,911)
Cash generated from operations	**(120,767)**	80,892
Income tax paid	**(4,596)**	(1,406)
End of service benefits paid	**(4,783)**	(4,409)
Net cash from operating activities	**(130,146)**	75,077
Investing activity		
Purchase of property and equipment	**(3,005)**	(1,580)
Net change in cash and cash equivalents	**(133,151)**	73,497
Cash and cash equivalents at the beginning of the year	**212,965**	139,468
Cash and cash equivalents at the end of the year (Note 7)	**79,814**	212,965

The accompanying notes form an integral part of these financial statements.

1. General

Redington Gulf & Co. LLC (the "Company") is a limited liability company, registered in the Sultanate of Oman on 11 November 2003. The registered address of the Company is P O Box 3065, Ruwi, Postal Code 112, Sultanate of Oman.

The principal activity of the Company is distribution and after sales services of computer software, trading in computer peripherals consumables and providing hardware support and maintenance services.

These financial statements are presented in Rials Omani (RO) since that is the currency in which majority of the Company's transactions are denominated.

2. Adoption of new and revised International Financial Reporting Standards (IFRS)

For the year ended 31 March 2016, the Company has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the period beginning on 1 April 2015.

2. Adoption of new and revised International Financial Reporting Standards (IFRS) (continued)

2.1 New and revised IFRSs applied with no material effect on the financial statements

The following new and revised Standards and Interpretations have been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities	The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.
Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities	The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.
Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets	The amendment to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less cost of disposal.
Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting	The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.
IFRIC 21: Levies	IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies neither economic compulsion nor the going concern basis financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

2. Adoption of new and revised International Financial Reporting Standards (IFRS) (continued)

2.2 Standards and Interpretations in issue not yet effective (continued)

At the date of authorisation of these financial statements, the following new and revised Standards and Interpretations were in issue but not yet effective:

New IFRS and relevant amendments	Effective for annual period beginning on or after
IFRS 9: Financial Instruments	1 January 2018
IFRS 15: Revenue from Contracts with Customers	1 January 2017
Amendment to IFRS 11: Accounting for Acquisition of Interest in Joint Operations	1 January 2016
Amendment to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendment to IAS 16 and IAS 41: Agriculture – Bearer Plants.	1 January 2016
Amendment to IAS 19: Employee Benefit Plans – Employee Contributions	1 July 2014
Amendments to IAS 27: Permits use of equity method for investments in subsidiaries, associates and joint ventures when an entity prepares its separate financial statements.	1 January 2016
Amendments to IFRS 10 and IAS 28: Specifies the accounting treatment for gain or loss on sale or contribution of assets between investor and joint ventures based on whether or not the sale or contribution results in a business.	1 January 2016
Annual Improvements to IFRSs 2010 – 2012 cycle	1 July 2014
Annual Improvements to IFRSs 2011 – 2013 cycle	1 July 2014
Annual Improvements to IFRSs 2012 – 2014 cycle	1 January 2016

The management anticipates that the adoption of the above standards and interpretations in future periods will have no material impact on the financial statements of the Company in the period of initial application.

3. Summary of significant accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

3. Summary of significant accounting policies (continued)

Basis of preparation

The financial statements have been prepared on historical cost basis modified to include measurement of certain financial instruments at fair value.

A summary of significant accounting policies which have been adopted consistently is set out below:

Property and equipment

Property and equipment are stated at cost less accumulated depreciation.

The cost of property and equipment is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of property and equipment on a straight line basis over the expected useful economic lives of the assets concerned.

The estimated useful lives used for this purpose are:

	Years
Furniture and fixtures	5
Office equipment and computers	3 – 5
Software	3
Motor vehicles	5

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of an asset and is recognised in the statement of profit or loss.

Impairment

Financial assets
At each reporting date, the Company assesses if there is any objective evidence indicating impairment of financial assets carried at cost or non collectability of receivables.

An impairment loss, if any, arrived at as a difference between the carrying amount and the recoverable amount, is recognised in the profit or loss. The recoverable amount represents the present value of expected future cash flows discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted.

Non- financial assets
At each reporting date, the Company assesses if there is any indication of impairment of non financial assets. If an indication exists, the Company estimates the recoverable amount of the asset and recognizes an impairment loss in the statement of comprehensive income. The Company also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognised immediately in the profit or loss.

3. Summary of significant accounting policies (continued)

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first in first out (FIFO) basis and comprises invoiced cost, related freight, insurance and import duties. Net realisable value represents the estimated selling price less the estimated costs of completion and sale.

Financial instruments

Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

The principal financial assets are bank balances and trade and other receivables.

Trade and other receivables are initially measured at their fair value and subsequently measured at amortised cost, using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognized in the profit or loss when there is objective evidence that the asset is impaired.

The principal financial liabilities are trade and other payables. Trade and other payables are initially measured at their fair value and subsequently measured at amortised cost, using the effective interest method.

Employees' benefits

End of service benefits for Omani employees are contributed in accordance with the terms of the Social Securities Law of 1991.

End of service benefits for non-Omani employees has been made in accordance with the terms of the Labour Law of the Sultanate of Oman and is based on current remuneration and cumulative years of service at the reporting date.

Employee entitlements to annual leave are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date.

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Sale is recognized when significant risks and rewards associated with the ownership have been transferred to the buyer. Service revenue is recognised on an accrual basis when the service is rendered. No income is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

3. Summary of significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Foreign currency

Transactions in foreign currencies are translated into Rial Omani at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Rials Omani at the rate of exchange ruling at that date. Gains or losses resulting from foreign currency transactions are included in the profit or loss.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of bank balances and cash with a maturity of less than three months from the date of placement.

Taxation

Taxation is provided for in accordance with the fiscal regulations of the Sultanate of Oman.

Current tax
The current income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax
Deferred tax liability is calculated using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

3. Summary of significant accounting policies (continued)

Taxation (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset only when there is a legally enforceable right to set off.

4. Critical accounting judgment and key sources of estimation uncertainty

The presentation of financial statements, in conformity with IFRSs, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditures. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the significant estimates used in the preparation of the financial statements:

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below :

Useful lives of property and equipment
Depreciation is charged so as to write off the cost of assets over their estimated useful lives. The calculation of useful lives is based on management’s assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates.

Allowance for impaired debts
Allowance for impaired debts is based on management’s best estimates of recoverability of the amounts due and the number of days for which such debts are due.

5. Property and equipment

	Furniture and fixtures RO	Office equipments and computers RO	Software RO	Motor Vehicles RO	Total RO
Cost					
At 1 April 2015	36,008	16,457	446	4,934	57,845
Additions	1,580	-	-	-	1,580
At 1 April 2016	**37,588**	**16,457**	**446**	**4,934**	**59,425**
Additions	**1,278**	**1,727**	**-**	**-**	**3,005**
31 March 2015	**38,866**	**18,184**	**446**	**4,934**	**62,430**
Depreciation					
At 1 April 2015	27,806	15,077	446	4,934	48,263
Charge for the year	4,804	901	-	-	5,705
At 1 April 2016	**32,610**	**15,978**	**446**	**4,934**	**53,968**
Charge for the year	**2,919**	**494**	**-**	**-**	**3,413**
31 March 2016	**35,529**	**16,472**	**446**	**4,934**	**57,381**
Carrying value					
At 31 March 2016	**3,337**	**1,712**	**-**	**-**	**5,049**
At 31 March 2015	4,978	479	-	-	5,457

6. Trade and other receivables

	2016 RO	2015 RO
Trade receivables	**295,629**	457,433
Less: allowance for impaired debts	**-**	(18,000)
Net trade receivables	**295,629**	439,433
Due from related parties (Note 14)	**566,183**	329,874
Advance to suppliers	**11,802**	406,436
Prepayments	**14,078**	12,000
Other receivables	**-**	1,500
	887,692	1,189,243

7. Cash and cash equivalents

	2016 RO	2015 RO
Cash on hand	**12,144**	1,918
Bank balances	**67,670**	211,047
	79,814	212,965

8. Share capital

The authorised, issued and paid share capital consists of 150,000 ordinary shares of RO 1 each.

The shareholders and their shareholding in capital are as follows:

	Percentage shareholding 2016 %	Share capital 2016 RO	Percentage shareholding 2015 %	Share capital 2015 RO
Redington Gulf FZE	**70**	**105,000**	70	105,000
Husni Fouad Abdullah Tubeileh	**30**	**45,000**	30	45,000
	100	**150,000**	100	150,000

9. Legal reserve

The legal reserve, which is not available for distribution, is calculated in accordance with Article 154 of the Commercial Companies Law. Annual appropriation of 10% of the profit after taxes for each year is made to this reserve until such time that the amount is equal to at least one third of its share capital.

10. End of service benefits

	2016 RO	2015 RO
At 1 April	**19,006**	16,340
Charge for the year	**6,500**	7,075
Paid during the year	**(4,783)**	(4,409)
At 31 March	**20,723**	19,006

11. Trade and other payables

	2016 RO	2015 RO
Trade payables	**17,700**	3,297
Due to related parties (Note 15)	**580,574**	1,074,362
Advance from customer	**21,536**	-
Other payables and accrued expenses	**69,218**	28,233
	689,028	1,105,892

12. General and administrative expenses

Salaries and other costs	**187,114**	174,054
Rent	**27,441**	27,608
Repairs and maintenance	**16,523**	15,132
Travelling expenses	**20,162**	14,224
Communications	**11,444**	9,265
Consultancy charges	**6,600**	6,600
Depreciation on property and equipment (Note 5)	**3,413**	5,705
Legal and professional fees	**7,950**	5,850
Exchange loss	**-**	19,256
Printing and stationery	**891**	688
Miscellaneous	**18,789**	4,977
	300,327	283,359

13. Other income

Exchange gain	**11,858**	-
Reversal of provision for doubtful debts	**4,351**	-
	16,209	-

14. Income tax

Income tax is provided as per the provisions of the "Law of Income Tax on Companies" in Oman after adjusting the items which are non-assessable or disallowed. Income tax is calculated @ 12% (2015: 12%) on the adjusted taxable income after deducting the statutory exemption of RO 30,000.

	2016	2015
	RO	RO
Statement of financial position		
Current year	**-**	-
Statement of profit or loss and other comprehensive income		
Current year	**-**	-
Prior year	**4,596**	-
	4,596	

The total charge for the year can be reconciled to the accounting profit as follows:

	2016	2015
	RO	RO
Profit before tax	**22,408**	14,412
Tax @ 12% (after deducting the basic exemption of RO 30,000)	**-**	-
Prior year tax	**4,596**	
	4,596	**-**

Deferred tax
The Management has decided not to recognize the estimated deferred tax expected at the end of the year over temporary differences as they believe that the effect of such differences is not expected to be material at the end of the year.

Status of tax assessment

The Company's income tax assessments have been finalized upto 2014. The management believes that additional taxes, if any, in respect of open tax years would not be material to the Company's financial position as of 31 March 2016.

15. Related parties

Related parties comprise shareholders, key business persons and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions. The Company maintains balances with these related parties which arise in the normal course of business from commercial transactions, and are entered into at terms and conditions which the management considers to be comparable with those adopted for arm's length transactions with third parties.

At the reporting date, amount due from / to related parties was as follows:

	2016	2015
	RO	RO
Due from related parties		
Redington Gulf FZE	**566,183**	256,536
Cadens Worth FZE	**-**	9,484
Ensure Gulf FZE	**-**	63,854
	566,183	329,874
Due to related parties		
Cadens Worth FZE	**164,681**	1,074,362
Ensure Gulf FZE	**415,893**	-
	580,574	1,074,362
Significant related party transactions are as follows:		
Purchases	**xxxxx**	58,641
Sales	**xxxxx**	9,205

16. Financial risk management

Financial instruments carried on the statement of financial position comprise cash and cash equivalents, trade and other receivables and trade and other payables.

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been impacted.

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

16. Financial risk management (continued)

Financial risk factors

Overview

The Company's activities expose it to a variety of financial risks: credit risk, market risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

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 principally from cash at bank and trade and other receivables**.**

Exposure to credit risk

The carrying amount of each financial asset in the statement of financial position represents the maximum exposure to credit risk.

The Company's bank accounts are placed with reputed financial institutions.

The Company's exposure to credit risk from trade receivables is influenced mainly by the individual characteristics of each customer. All major customers are based in Sultanate of Oman. The Company has established credit policies and procedures that are considered appropriate and commensurate with the nature and size of receivables.

The exposure to credit risk at the reporting date was on account of:

	2016	2015
	RO	RO
Trade receivables	**295,629**	457,433
Due from related parties	**566,183**	329,874
Other receivables	**11,802**	407,936
Bank balances	**67,670**	211,047
	941,284	1,406,290

16. Financial risk management (continued)

Financial risk factors (continued)

Credit risk (continued)

The age of trade receivables and related allowance of impaired debts at the reporting date was as follows:

	2016		2015	
	Gross RO	**Impairment RO**	Gross RO	Impairment RO
Not past due	**180,570**	**-**	151,382	-
Past due 30 – 90 days	**53,073**	**-**	131,924	-
Past due 91 – 120 days	**2,191**	**-**	21,594	-
More than 121 days	**59,795**	**-**	152,533	18,000
	295,629	**-**	457,433	18,000

Receivables past due but not impaired are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition the Company has access to credit facilities.

The below schedule shows the maturity profile of financial liabilities.

	2016		2015	
	Carrying Amount RO	**6 months or less RO**	Carrying amount RO	6 months or less RO
Trade payables	**17,700**	**17,700**	3,297	3,297
Due to related parties	**580,574**	**580,574**	1,074,362	1,074,362
Other payables	**69,218**	**69,218**	28,233	28,233
	667,492	**667,492**	1,105,892	1,105,892

16. Financial risk management (continued)

Financial risk factors (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk
The Company's functional and presentation currency is Rial Omani and the Company's performance is substantially independent of changes in foreign currency rates. There are no significant financial instruments denominated in foreign currency and consequently foreign currency risk is not significant.

Interest rate risk
The Company has no significant exposure to interest rate risk.

17. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and benefit other stake holders. The management's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

The capital structure of the Company comprises of the share capital and retained earnings. There were no changes in the Company's approach to capital management during the year. There are no externally imposed capital requirements binding on the Company.

18. Fair value of financial assets and liabilities

The fair value of the financial assets and liabilities approximates their carrying value as stated in the statement of financial position.

19. Approval of financial statements

The financial statements were approved by the shareholders' and authorized for issue on
30, June 2016.

REDINGTON KENYA LIMITED
Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	**Note.No**	**As at 31.03.2016**	**As at 31.03.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	653,400.00	676,000.00
	(b) Reserves and surplus	4	4,173,919.05	(7,156,809.04)
			4,827,319.05	**(6,480,809.04)**
2	**Current liabilities**			
	(a) Trade payables	5	109,476,516.60	74,642,157.84
	(b)Other current liabilities	6	1,020,863,665.80	742,655,849.42
	(c) Short-term provisions	7	6,909,051.60	6,785,305.73
			1,137,249,234.00	**824,083,312.99**
	TOTAL		**1,142,076,553.15**	**817,602,503.95**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets	8		
	(i)Tangible assets		22,429,261.75	19,057,447.18
	(b) Non-current investments	9	65,340.00	67,600.00
	(c)Deferred tax assets (net)		7,102,458.00	-
			29,597,059.75	**19,125,047.18**
2	**Current assets**			
	(a) Inventories	10	213,898,330.80	172,917,211.13
	(b)Trade receivables	11	770,443,542.00	509,980,871.17
	(d) Cash and cash equivalents	12	88,548,114.60	81,224,763.31
	(e) Short-term loans and advances	13	39,589,506.00	34,354,611.17
			1,112,479,493.40	**798,477,456.77**
	TOTAL		**1,142,076,553.15**	**817,602,503.95**

See accompanying notes forming part of Balance sheet

REDINGTON KENYA LIMITED

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	NOTE.NO	31st March,2016	31st March,2015
		2015-16	**2014-15**
Income			
Revenue from operations	14	2,994,601,411.94	2,391,109,833.00
Other income	15	494,865.23	152,501.24
Total Revenue		**2,995,096,277.17**	**2,391,262,334.24**
Expenses:			
Purchases of trading stock		2,814,145,968.16	2,035,263,291.19
Changes in inventories of trading stock		(40,981,119.67)	134,290,608.67
Employee benefits	16	68,447,675.08	70,252,527.48
Depreciation & Amortisation	8	9,218,167.20	7,765,407.69
Other expenses	17	127,940,242.89	139,743,366.21
Total expenses		**2,978,770,933.66**	**2,387,315,201.24**
Profit before tax		**16,325,343.51**	**3,947,133.00**
			-
Tax expense:			
Current tax		5,272,268.12	2,485,890.00
Prior year tax provisions written back			
Profit after Tax		11,053,075.38	1,461,243.00
Profit for the Year		**11,053,075.38**	**1,461,243.00**
See accompanying notes forming statement of Profit and Loss			

REDINGTON KENYA LIMITED

Cash Flow Statement for the year ended March 31, 2015

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**16,325,343.51**		**3,947,133.00**	
Adjustments for:				
- Depreciation	9,218,167.20		7,765,407.69	
Operating Profit before working capital changes	**25,543,510.71**		**11,712,540.69**	
(Increase)/ Decrease in Trade receivables	(260,462,670.83)		(70,296,468.67)	
(Increase)/Decrease in Loans & advances and Other current assets	(12,337,352.83)		95,002,402.63	
(Increase) /Decrease in Inventories	(40,981,119.67)		134,290,608.67	
Increase in Trade Payables, Other Current Liabilities & Provisions	313,165,921.01		(152,228,945.29)	
Cash generated from operations	**24,928,288.38**		**18,480,138.03**	
Diff in expenses			-	
Direct taxes paid	(5,272,268.12)		(2,485,890.00)	
Net Cash (used in) / generated from operating activities		**19,656,020.25**		**15,994,248.03**
Cash flow from investing activities:				
Purchase of fixed assets	(13,220,064.18)		(10,322,570.78)	
Proceeds from sale of fixed assets	6,511.38		4,427,927.31	
Net Cash used in investing activities		**(13,213,552.80)**		**(5,894,643.47)**
Cash flow from financing activities:				
Net Cash generated from financing activities		-		-
Net (decrease) / increase in cash and cash equivalents		**6,442,467.45**		**10,099,604.56**
Cash and cash equivalents at the beginning of the year		**81,224,763.30**		**76,306,306.30**
Currency Translation Adjustment		880,883.84		(5,181,147.56)
Cash and cash equivalents at the end of the year		**88,548,114.60**		**81,224,763.30**

REDINGTON KENYA LIMITED

COMPANY FINANCIAL STATEMENTS

31 MARCH 2016

CORPORATE INFORMATION

DIRECTORS	Raj Shankar* Sriram Ganeshan** * Singaporean ** Indian
SECRETARY	Winnie Jumba Certified Public Secretary (Kenya) Deloitte Place Waiyaki way, Muthangari P O Box 30029 - 00100 Nairobi
REGISTERED OFFICE	Deloitte Place Waiyaki way, Muthangari P O Box 30029 - 00100 Nairobi
PRINCIPAL PLACE OF BUSINESS	Austen Place School Lane, Westlands Nairobi
AUDITORS	Deloitte & Touche Certified Public Accountants (Kenya) Deloitte Place Waiyaki way, Muthangari P O Box 40092 - 00100 Nairobi
BANKERS	Standard Chartered Bank Kenya Limited Westlands Branch P O Box 30003 - 00100 Nairobi NIC Bank Limited The Mall Branch, Westlands P O Box 44599-00100 Nairobi

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 March 2016. The company also prepares consolidated financial statements available for shareholders as required by section 150 of the Kenyan Companies Act and International Accounting Standard No. 27 on Consolidated and Separate financial statements.

ACTIVITIES

The company imports and distributes information technology products.

RESULTS

	INR
Profit before taxation	163,25,343.51
Taxation charge	52,72,268.12
Profit for the year	110,53,075.38
	=======

DIVIDEND

The directors do not recommend the payment of a dividend for the year.

DIRECTORS

The current directors are shown on page 2.

AUDITORS

Deloitte & Touche, having expressed their willingness, continue in office in accordance with section 159 (2) of the Companies Act.

BY ORDER OF THE BOARD

Secretary

May,24,2016

Nairobi

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the directors to ensure that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF REDINGTON KENYA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Redington Kenya Limited set out on pages 7 to 24 which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the company's preparation of financial statements that give a true and fair view in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of the company as at 31 March 2016 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Kenyan Companies Act.

Report on Other Legal Requirements

As required by the Kenyan Companies Act we report to you, based on our audit, that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
ii) in our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and
iii) the company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Certified Public Accountants (Kenya)

May,24,2016

Nairobi

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

The company also prepares consolidated financial statements as required by IAS 27 (Consolidated and separate financial statements) and section 150 of the Kenyan Companies Act.

For the Kenyan Companies Act reporting purposes, in these financial statements the balance sheet is represented by the statement of financial position and the profit and loss account is presented in the statement of comprehensive income.

(a) Adoption of new and revised International Financial Reporting Standards (IFRS)

(i) New standards and interpretations and amendments to published standards effective for the year ended 31 March 2014

Several new and revised standards and interpretations to published standards became effective during the year..The adoption of these amendments has not had any material effect on amounts reported in the financial statements.

(ii) New standards and amendments to published standards and interpretations in issue but not yet effective in the year ended 31 March 2016

At the date of authorisation of these financial statements, several new and revised standardsandinterpretations were in issue but not yet effective. The adoption of these standards and interpretationswhen effective will not have a significant impact on the company's financial statements wheneffective.

b) Early adoption of standards

The company did not early-adopt any new or revised standards and interpretations in 2016.

Basis of accounting

The financial statements are prepared under the historical cost basis of accounting. The principal accounting policies adopted remain unchanged from the previous year and are presented below.

Revenue recognition

Revenue is recognised upon the delivery and acceptance of products by customers and represents the value of goods invoiced to customers during the year net of value added tax, sales returns and trade discounts.

Taxation

The income tax expense represents the sum of the current tax payable and the deferred taxation. Current taxation is provided on the basis of the results for the year, as shown in the financial statements, adjusted in accordance with tax legislation.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

Equipment

Equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated to write off the cost of the equipment in equal annual installments over their estimated useful lives. The annual rates in use are:

Motor vehicles	30%
Furniture and fittings	20%
Computers	20%
Office equipment	12.5%

Intangible assets

Intangible assets represent computer software and are stated at cost less the amortized value. Amortization is calculated to write off the cost of computer software on a straight line basis over its estimated useful life of eight years. The annual rate in use is 12.5%.

Inventories

Inventories are stated at the lower of purchase cost and net realizable value. Cost is determined by the weighted average method. The cost of finished goods comprises direct purchase cost, insurance, freight and other incidental costs. Net realizable value is the estimate of the selling price in the ordinary course of business. Specific provision is made for obsolete, slow moving and defective inventories.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the lessee.

All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease.

Assets acquired under finance leases are capitalised at the dates of the agreements. The interest element of each installment is charged to profit or loss at the time that each installment falls due.

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into Kenya Shillings at the rates of exchange ruling at year end. Transactions during the period are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are dealt with in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognized in the company's statement of financial position when the company has become party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on the review of all outstanding amounts at the year end. Bad debts are written off when all reasonable steps to recover them have failed.

Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Trade payables

Trade payables are stated at their nominal value.

Accrued leave pay

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to year end.

Retirement benefits obligations

The company and its employees contribute to the National Social Security Fund, which is a defined contribution scheme. The company's contributions are charged to the profit or loss account in the year to which they relate. The company has no further obligation once the contributions have been paid.

Equity-settled share based payments

Share Purchase options granted by the Holding Company to employees under the Group's Employee Stock Option Plan are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based transactions are set out.

The fair value determined at the grant date of the equity-settled share based payments is expensed over the vesting period based on the management's estimate of equity instruments that will eventually vest. At each period end, management revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss over the remaining vesting period, with a corresponding adjustment to the equity-settled employee benefits reserve.

The policy described above is applied to all equity-settled share based payments that were granted after 29 February 2008 by the board of the holding company (and implemented by the Company and its subsidiaries in April 2008).

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY

In the process of applying the company's accounting policies, the directors have made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key areas of judgment in applying the company's accounting policies are dealt with below:

Critical judgments in applying accounting policies

Equipment

Critical estimates are made by the management, in determining depreciation rates for equipment.

Impairment losses

At each year end, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Classification of financial assets and liabilities

Critical judgments are made by the company in classifying its financial assets and liabilities.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of Equipment

As described above, the company reviews the estimated useful lives of equipment at the end of each annual reporting period.

Share-based payments

In determining the fair value of share-based payments and the related charge to profit or loss, certain assumptions have to be made about future events and market conditions. In particular, judgments were made about the likely number of options that will vest, and the fair value of each option granted. The fair value was determined using a valuation model which is dependent on further estimates, including the Redington India Limited future dividend policy, risk-free interest rate and the timing with which options will be exercised and the future validity in the price of the options.

3. **Share Capital:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued Subscribed capital	6,53,400.00	676,000.00

4. **Reserves and Surplus:**

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	(108,48,463.50)	(12,309,706.50)
Add: Current year profit	110,53,075.38	4,381,132.24
Closing Balance	**2,04,611.88**	**(7,928,574.26)**
(b) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	2,94,078.46	5,079,005.72
Movement during the year	3,91,240.30	(4,824,907.79)
Closing balance	**6,85,318.76**	**254,097.94**
(c) EmployeeSettled employee benefits reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	33,97,576.00	3,486,536.20
CTA	(1,13,587.60)	(88,960.20)
Closing balance	**32,83,988.40**	**3,397,576.00**
Total	**41,73,919.05**	**(4,276,900.32)**

5. **Trade Payables:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trade Payables	272,81,410.20	8,698,851.13
(b) Expense Payable	760,96,270.80	41,659,393.02
(c) Other Payables	60,98,835.60	23,855,856.97
Total	**1094,76,516.60**	**74,214,101.12**

6. **Other Current Liabilities:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Due to related parties	10208,63,665.80	7426,55,849.42
Total	**10208,63,665.80**	**7426,55,849.42**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

* Due to related parties

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Redington Gulf FZE UAE	10205,70,942.60	742,655,849.42
Redington Uganda ltd	2,92,723.20	
Total	**10208,63,665.80**	**742,655,849.42**

7. **Short-term Provisions**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Provision for Taxation.	-	24,51,852.00
Gratuity provision	69,09,051.60	43,33,453.73

8. Assets:

a. Tangible assets:

Amount in ₹

Particulars	**Furniture & Fixtures**	**Computers**	**Vehicles**	**Total**
Cost				
As at 01.04.15	265,93,157.18	126,32,412.00	118,42,844.00	510,68,413.18
Additions	6,92,811.32	97,92,471.32	27,34,781.54	132,20,064.18
Disposals	-	2,82,594.09	10,12,520.31	12,95,114.40
Translation adjustments	(8,86,654.90)	(3,89,296.43)	(3,89,947.63)	(16,65,898.96)
As at 31.03.16	**263,99,313.61**	**217,52,992.80**	**131,75,157.60**	**613,27,464.01**
Accumulated Depreciation				
As at 01.04.15	161,05,700.00	69,52,322.00	89,52,944.00	320,10,966.00
Additions	29,42,494.71	40,14,919.75	22,60,752.74	92,18,167.20
Disposals	-	2,76,082.71	10,12,520.31	12,88,603.02
Translation				

adjustments	(5,28,225.11)	(2,19,443.95)	(2,94,979.03)	(10,42,648.08)
As at 31.03.16	**185,19,969.60**	**104,71,715.10**	**99,06,197.40**	388,97,882.10
Carrying Amount				
As at 01.04.15	**104,87,457.18**	**56,80,090.00**	**28,89,900.00**	**190,57,447.18**
As at 31.03.16	**78,79,344.01**	**112,81,277.70**	**32,68,960.20**	**224,29,581.91**

b. **Intangible Assets**

Amount in ₹

Particulars	**Software**	**Total**
Cost		
As at 01.04.15	**8,112.00**	**8,112.00**
Additions	-	-
Disposals	-	-
Translation adjustment	(271.20)	(271.20)
As at 31.03.16	**7,840.80**	**7,840.80**
Accumulated Depreciation	**Software**	**Total**
As at 01.04.15	8,112.00	8,112.00
Additions	-	-
Disposals	-	-
Translation adjustment	(271.20)	(271.20)
As at 31.03.16	**7,840.80**	**7,840.80**
Carrying Amount	**Software**	**Total**
As at 01.04.15	**-**	**-**
As at 31.03.16	**-**	**-**

9. **Investment in Subsidiary:**

The investment in subsidiary represents an investment in Redington Kenya (EPZ) Limited which was incorporated in December 2008. The principal activity of the company is the import and subsequent export of information technology products. The subsidiary is 100% owned by Redington Kenya Limited. Investment Value INR 65340.00.00 (2014: INR 69700.00)

10**. Inventories:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trading Stocks	2138,98,330.80	172,917,211.13
(b) Goods In Transist	-	-
Total	**2138,98,330.80**	**172,917,211.13**

11. **Trade Receivables:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured, considered good	7704,43,542.00	509,980,871.17
Total	**7704,43,542.00**	**509,980,871.17**

12**. Cash and Cash Equivalents:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Cash on hand	1,31,333.40	-
Balance with banks	884,16,781.20	812,24,763.31
Total	**885,48,114.60**	**812,24,763.31**

13. **Short-term Loans and advances:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Loans and advances to related parties	31,78,791.00	15,990,977.31
(b) Security deposits	-	4,526,797.86
(c) Loans and advances to employees	-	79,485.51
(d) Prepaid expenses - Unsecured, considered good	62,08,606.80	6,728,623.59
(f) Advances to suppliers	-	7,028,726.90
(h)Other receivables	302,02,108.20	--
Total	**395,89,506.00**	**34,354,611.17**

* Due from related parties

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Redington Kenya EPZ Ltd	12,10,096.80	1,763,573,089
Ensure Kenya		13,686,834,272

Redington Tanzania Limited	19,68,694.20	404,197,050
Redington Service Limited		
Ensure Technical Services Limited		
Redington Uganda Limited		136,372,901
Total	**31,78,791.00**	**15,990,977.00**

14. **Revenue from Operations:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i) Sales	29946,01,411.94	2,391,109,833.00
(ii)Supplier Rebates	-	-
Total	**29946,01,411.94**	**2,391,109,833.00**

15. **Other Income:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Other non operating income	4,94,865.23	152,501.24
Total	**4,94,865.23**	**152,501.24**

16. **Employee Benefits:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Salaries and Bonus	684,47,675.08	70,252,527.48

17. **Other Expense:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	218,09,231.63	195,27,604.27
Freight	-	60,51,670.29
Commercial Taxes	-	-
Repairs and Maintenance	25,66,787.82	37,01,093.63
Utilities	13,48,507.75	18,89,683.00
Insurance	(251,97,756.18)	78,71,384.24

Communication	64,82,083.38	68,61,310.32
Printing and Stationery	4,89,656.12	-
Advertisement	159,13,824.00	139,61,525.73
Travel	146,31,081.23	205,17,733.39
Conveyance	30,27,793.85	-
Professional Charges	84,91,496.68	47,28,628.22
Bad Debts	109,08,522.65	51,403.85
Provision for Doubtful receivables	-	86,95,553.27
For reimbursement of expenses	-	-
Exchange Gain/(Loss) Net	566,99,834.95	316,80,318.94
Bank Charges	16,87,099.75	31,11,731.20
Cash discount paid	90,09,151.75	-
Miscellaneous Expenses	72,927.51	110,93,725.85
Total	**1279,40,242.89**	**1397,43,366.21**

18. **CAPITAL MANAGEMENT**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The company was not geared as at 31 March 2016 (2015 – nil).

19. **OPTIONS ISSUED TO EMPLOYEES**

The parent company, Redington India Limited has granted options under the Employees Stock Option Plan' 2008. Under the terms of this plan, the parent company has granted options to employees of the Group to purchase equity shares of the parent company at an exercise price of Indian Rupee (INR) 348.05. These options vest over a period of 36 months from the date of grant and are to be exercised within a maximum period of 5 years from the date of vesting. These options were subsequently re-priced from Indian Rupee (INR) 348.05 to Indian Rupee (INR) 130 on 28 January 2011.

Options are granted at the discretion of the management of the parent company. The options vest over the three year period in the following manner: 50% of options at the end of year 1, 25% of options at the end of year 2 and 25% options at the end of year 3 from the date of grant.

The fair values of options granted, being Sh NIL (2015: Sh NIL) is recorded as an expense by the company in the income statement over the relevant vesting or service periods, adjusted to reflect actual and expected levels of vesting.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions (based on year of grant and the year of re-pricing):

	Date of grant/re-pricing 29 January 2011 INR
Exercise price	348.05
Risk free interest rate	7.25%
Expected life (in years)	4.25
Expected volatility	61%
Dividend yield	1.74
Fair value of option	171.33
Fair value of option – post re-pricing *	N.A
Differential cost on re-pricing of option	N.A

* Fair value per option (prior to re-pricing) was INR 15.93

The options activity is summarized below:

Options granted:	Nil
Options lapsed:	-
Options exercised:	5,250
Outstanding as at 31 March 2015:	11,250

20. INCORPORATION

The company is domiciled and incorporated in Kenya under the Companies Act. The holding company is Redington Gulf FZE incorporated in The United Arab Emirates.

21. CURRENCY

These financial statements are prepared in INR.

CADENSWORTH FZE

Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	**Note.No**	**As at 31.03.2016**	**As at 31.03.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	5	18,037,500.00	17,015,000.00
	(b) Reserves and surplus	6	1,138,324,889.82	913,486,959.34
			1,156,362,389.82	**930,501,959.34**
2	**Non-current liabilities**			
	Long-term provisions	7	6,574,398.19	2,927,532.84
			6,574,398.19	**2,927,532.84**
3	**Current liabilities**			
	(a) Trade payables	8	617,313,740.55	404,329,435.76
	(b)Other current liabilities	9	789,836,114.93	1,092,692,767.72
			1,407,149,855.48	**1,497,022,203.47**
	TOTAL		**2,570,086,643.48**	**2,430,451,695.65**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	Fixed assets-Tangible assets	10	1,938,147.41	551,013.76
	(ii) Intangible assets		426,262.20	-
	(b) Non-current investments		18,037.50	-
			2,382,447.11	**551,013.76**
2	**Current assets**			
	(a) Inventories	11	621,369,742.99	915,815,598.21
	(b)Trade receivables	12	828,191,325.49	638,562,043.39
	(c) Cash and cash equivalents	13	24,876,436.16	201,083.27
	(d) Short-term loans and advances	14	1,093,266,691.73	875,321,957.03
			2,567,704,196.36	**2,429,900,681.89**
	TOTAL		**2,570,086,643.48**	**2,430,451,695.65**
ccompanying notes forming part of Balance S				

CADENSWORTH FZE
Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note.No	31st March,2016 2015-16	31st March,2015 2014-15
Revenue from operations	15	5,344,762,044.10	7,089,386,502.73
Other income	16	8,983,532.35	-
Total Revenue		**5,353,745,576.44**	**7,089,386,502.73**
Expenses:			
Purchases of trading stock		4,790,143,234.87	7,282,009,700.66
Changes in inventories of trading stock		329,669,725.62	(286,986,502.63)
Employee benefits	17	26,290,401.90	9,669,504.86
Depreciation & Amortisation	10	633,363.58	281,145.82
Other expenses	18	39,260,191.79	62,252,896.19
Total expenses		**5,185,996,917.76**	**7,067,226,744.90**
Profit before tax		**167,748,658.69**	**22,159,757.83**
Exceptional items		-	-
Profit before extraordinary items and tax		**167,748,658.69**	**22,159,757.83**
Extraordinary Items		-	-
Profit before tax		**167,748,658.69**	**22,159,757.83**
Tax expense:			
Current tax	-		
Profit after Tax		167,748,658.69	22,159,757.83
Profit for the Year		**167,748,658.69**	**22,159,757.83**
Earnings per equity share:			
Basic			
Diluted			
See accompanying notes forming part of Profit and loss statement			

CADENSWORTH FZE

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**167,748,658.69**		**22,159,757.83**	
Adjustments for:				
- Depreciation	633,363.58		281,145.82	
Operating Profit before working capital changes	**168,382,022.27**		**22,440,903.65**	
(Increase) / Decrease in Trade receivables	(189,629,282.10)		180,792,989.18	
Increase in Loans & advances and Other current assets	(217,944,734.70)		2,020,536,987.98	
Decrease in Inventories	294,445,855.22		(263,971,034.46)	
Increase/(Decrease) in Trade Payables, Other Current Liabilities & Provisions	(86,225,482.65)		(1,997,927,616.38)	
Cash generated from operations	**(30,971,621.96)**		**(38,127,770.03)**	
Net Cash (used in) / generated from operating activities		**(30,971,621.96)**		**(38,127,770.03)**
Cash flow from investing activities:				
Purchase of fixed assets	(2,390,661.32)			
Investment in subsidiaries	(18,037.50)		-	
Net Cash used in investing activities		**(2,408,698.82)**		**-**
Net (decrease) / increase in cash and cash equivalents		**(33,380,320.77)**		**(38,127,770.03)**
Cash and cash equivalents at the beginning of the year		**201,083.27**		**386,981.44**
Currency Translation Adjustment		58,055,673.67		37,941,871.86
Cash and cash equivalents at the end of the year		**24,876,436.16**		**201,083.27**

Cadensworth FZE
Jebel Ali Free Zone
Dubai - United Arab Emirates

Report and financial statements
for the year ended 31 March 2016

INDEPENDENT AUDITOR'S REPORT

The Shareholder
Cadensworth FZE
Jebel Ali Free Zone
Dubai
United Arab Emirates

Report on the Financial Statements

We have audited the accompanying financial statements of **Cadensworth FZE, Jebel Ali Free Zone, Dubai** (the "Establishment")**,** which comprise the statement of financial position as of 31 March 2016, the statement of comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Cont'd…

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Cadensworth FZE, Jebel Ali Free Zone, Dubai,** as of 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Also, in our opinion, proper books of account have been maintained by the Establishment. We obtained all the information and explanations which we considered necessary for our audit. According to the information available to us, there were no contraventions during the year of the provisions of the Implementing Regulation 1/92 pursuant to Law Number (9) of 1992, which might have materially affected the financial position of the Establishment or the results of its operations.

Notes to financial statements for the year ended 31 March, 2016

1. Status and operations

Cadensworth FZE (the 'Establishment'), is registered in Jebel Ali Free Zone as a Free Zone Establishment with limited liability.

Cadensworth FZE is a wholly owned subsidiary of Redington Gulf FZE, Dubai. The holding company is Redington International Mauritius Limited and the Ultimate Parent is Redington India Limited.

The Establishment is an authorised distributor of Information Technology Products and spare parts for global vendors in the Middle East.

The address of the registered office of the Establishment is P.O. Box 17441, Jebel Ali Free Zone, Dubai, United Arab Emirates (UAE).

2. Application of new and revised International Financial Reporting Standards ("IFRS")

2.1 New and revised IFRS applied with no material effect on the financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2015, have been adopted in these financial statements. The application of these new and revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affectthe accounting for future transactions or arrangements.

- Annual Improvements to IFRSs 2010-2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Annual Improvements to IFRSs 2011-2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Amendments to IAS 19 *Employee Benefits* to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

2.2 New and revised IFRS in issue but not yet effective and not early adopted

The Company has not yet early applied the following new standard, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRS	Effective forannual periodsbeginning on or after
• IFRS 14 *Regulatory Deferral Accounts*	1 January 2016
• Amendments to IAS 1 *Presentation of Financial Statements* relating to Disclosure initiative.	1 January 2016
• Amendments to IFRS 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations.	1 January 2016

• Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortization.	1 January 2016
• Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* relating to bearer plants.	1 January 2016**2.**
Amendments to IAS 27 *Separate Financial Statements* relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.	1 January 2016
• Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities.	1 January 2016
• Annual Improvements to IFRSs 2012-2014 Cycle covering amendments to IFRS 5, IFRS 7 and IAS 19.	1 January 2016
• Finalised version of IFRS 9 [IFRS 9 *Financial Instruments* (2014)] was issued in July 2014 incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition. This amends classification and measurement requirement of financial assets and introduces new expected loss impairment model. A new measurement category of fair value through other comprehensive income (FVTOCI) will apply for debt instruments held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets. A new impairment model based on expected credit losses will apply to debt instruments measured at amortised costs or FVTOCI, lease receivables, contract assets and certain written loan commitments and financial guarantee contract.	1 January 2018

• IFRS 15 *Revenue from Contracts with Customers*: IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.
The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

_ Step 1: Identify the contract(s) with a customer. _ Step 2: Identify the performance obligations in the contract. _ Step 3: Determine the transaction price. _ Step 4: Allocate the transaction price to the performance obligations in the contract. _ Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.	1 January 2018
Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.	
• Annual Improvements to IFRSs 2012 - 2014 Cycle that include amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.	1 January 2016
• Amendments to IAS 16 and IAS 38 to clarify the acceptable methods of depreciation and amortization.	1 January 2016
• Amendments to IFRS 11 to clarify accounting for acquisitions of Interests in Joint Operations.	1 January 2016
• Amendments to IAS 16 and IAS 41 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.	1 January 2016
• Amendments to IFRS 10 and IAS 28 clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business.	1 January 2016
• Amendments to IAS 27 allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity’s separate financial statements.	1 January 2016
• IFRS 16 *Leases*: IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	1 January 2019
• Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	

2. Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Company's financial statements for the annual year beginning 1 April 2018 and IFRS 16 will be adopted for the annual year beginning 1April 2019. The application of IFRS 9, IFRS 15 and IFRS 16 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of revenue from contracts with customers, the Company's financial assets and financial liabilities and leases. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the company performs a detailed review.

3. Significant accounting policies

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

The financial statements are prepared in accordance with the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The significant accounting policies adopted are set out below

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises purchase cost and other related expenses incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on a first-in-first-out (FIFO) basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any identified impairment loss. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Establishment and the cost of the item can be measured reliably. All other repair and maintenance are charged to profit or loss when incurred. Depreciation is charged so as to write off the cost of assets over their estimated useful lives using the straight-line method as follows:

	Years
Furniture and fixtures	5
Office equipment	5
Computers	5

The estimated useful lives and depreciation method is reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.
An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss in the statement of comprehensive income.

Impairment of tangible assets

At each reporting date, the Establishment reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Establishment estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the Establishment has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Establishment retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Establishment; and,
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service revenue

Service revenue represents income generated from providing hardware support and maintenance services and is recognized when the service is rendered.

Foreign currencies

The financial statements of the Establishment are presented in the currency of the primary economic environment in which the Establishment operates. For the purpose of the financial statements, the results and financial position of the Establishment are expressed in Arab Emirates Dirhams, which is the functional currency of the Establishment, and the presentation currency for the financial statements.

In preparing the financial statements of the Establishment, transactions in currencies other than the Establishment's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss.

Provisions

Provisions are recognized when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that the Establishment will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Equity settled share based payments

Share Purchase options granted by the Ultimate Parent Company, Redington India Limited, to employees under the Group's Employee Stock Option Plan are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based transactions are set out.

The fair value determined at the grant date of the equity-settled share based payments is expensed over the vesting period based on the management's estimate of equity instruments that will eventually vest. At each reporting date, management revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of comprehensive income over the remaining vesting period, with a corresponding adjustment to the equity settled employee benefits reserve.

The policy described above is applied to all equity settled share-based payments that were granted after 29 February 2008 by the board of the Parent Company.

Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets held by the Establishment are classified as loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including trade and other receivables (excluding prepayments, advances paid to suppliers), bank balances and cash and amounts due from related parties are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Establishment's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Establishment derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Establishment neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Establishment recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Establishment retains substantially all the risks and rewards of ownership of a transferred financial asset, the Establishment continues to recognize the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.
On derecognition of a financial asset other than in its entirety (e.g. when the Establishment retains an option to repurchase part of a transferred asset), the Establishment allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Establishment are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. All financial liabilities held by the Establishment are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities, including trade and other payables (excluding advances received from customers) and amounts due to related parties are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

The Establishment derecognizes financial liabilities when, and only when, the Establishment's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank current accounts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables are measured at their amortised cost as reduced by appropriate allowance for estimated doubtful debts.

Due from related parties

Due from related parties is measured at amortised cost.

4. Critical accounting judgment and key sources of estimation uncertainty

Critical accounting judgment in applying the Establishment's accounting policies

The following are the critical judgments (apart from those involving estimations, which are dealt with below) that the management has made in the process of applying the Establishment's accounting policies, which are described in Note 3, and that have the most significant effect on the amounts recognized in the financial statements.

Revenue recognition

Management has considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 *Revenue* and in particular whether the Establishment had transferred the risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability for the goods sold, the management is satisfied that the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

Warranties

The Establishment's Original Equipment Manufacturer ("OEM") suppliers generally warrant the products distributed by the Establishment. The Establishment generally does not independently warrant the products it distributes and management does not consider that any provisions for warranties or claims are required.

Share based payments

In determining the fair value of share-based payments and the related charge to the profit or loss, certain assumptions have to be made about future events and market conditions. In particular, judgments were made about the likely number of options that will vest, and the fair value of each option granted. The fair value was determined using a valuation model which is dependent on further estimates, including the Parent Company's future dividend policy, risk-free interest rate and the timing with which options will be exercised and the future validity in the price of the options.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for doubtful debts - specific

Allowance for doubtful debts is determined based using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and aging of the receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances. Also, specific provisions for individual accounts are recorded when the Establishment becomes aware of the customer's inability to meet its financial obligations such as in the case of deterioration in the customer's operating results or financial position.

Key sources of estimation uncertainty (continued)

Allowance for slow-moving inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and quality issues. Based on the above factors, the Establishment has arrived at certain percentages for allowance for slow moving inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

Property and equipment

The cost of property and equipment is depreciated over the estimated useful life of the asset. The estimated useful life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors. Management has not considered any residual value as it is deemed immaterial.

5. **Share Capital:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up	180,37,500.00	17,015,000.00

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Notes to the financial statements for the year ended 31 March, 2016 (continued)

6. **Reserves and Surplus:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	6845,26,887.66	662,367,129.83
Add: Current year profit	1677,48,658.69	22,159,757.84
Closing Balance	**8522,75,546.35**	**684,526,887.67**
(b) Employee share purchase reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	40,13,123.87	3,847,433.63
CTA	2,41,164.81	165,690.25
Closing balance	**42,54,288.68**	**4,013,123.87**
(c) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	2249,46,947.81	187,844,839.79
Movement during the year	568,48,106.98	37,102,108.02
Closing balance	**2817,95,054.79**	**224,946,947.81**
Total	**11383,24,889.82**	**913,486,959.34**

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Notes to the financial statements for the year ended 31 March, 2016 (continued)

*Employee share Purchase reserve:

a) Options issued to employees

Equity settled employee benefits reserve represents the difference between the fair value and the exercise price of the options granted by Redington (India) Limited to the Establishment's employees under the Employees Stock Option Plan 2008. Under the terms of this plan, the Parent Company has granted options to employees of the Establishment to purchase equity shares of the parent company at an exercise price of Indian Rupee (INR) 348.05. These options vest over a period of 36 months from the date of grant and are to be exercised within a maximum period of 5 years from the date of vesting.

Options issued to employees (continued)

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions (based on year of grant and the year of re-pricing):

	Date of grant/re-pricing	
	28 February 2008	28 January 2009
	INR	INR
Exercise price	348.05	130.00
Risk free interest rate	7.25%	5.70%
Expected life (in years)	4.25	4.25
Expected volatility	61%	59%
Dividend yield	1.74%	1.46%
Fair value of option	171.33	NA
Fair value of option - post re-pricing *	NA	41.49
Differential cost on re-pricing of option	NA	25.56

* Fair value per option (prior to re-pricing) was **INR 15.93**

Equity settled share based payments (continued)

The options activity is summarized below:

	2016	**2015**
Options granted:	**Nil**	**Nil**
Options lapsed:	**Nil**	**Nil**
Options exercised:	**Nil**	**Nil**
Outstanding as at 31 March:	**Nil**	**3,870**

7. Long term Provisions:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Provision For Gratuity	65,74,398.19	2,927,532.84

Provision for employees' end-of-service indemnity is made in accordance with the legislation applicable to free zone entities operating in the Jebel Ali Free Zone, and is based on the current remuneration and cumulative years of service at the reporting date.

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Notes to the financial statements for the year ended 31 March, 2016 (continued)

8. Trade Payables:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Trade Payables	6130,08,153.23	402,544,000.76
(b) Expense Payable	43,05,587.33	1,785,435.00
Total	**6173,13,740.55**	**404,329,435.76**

9. Other Current Liabilities:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Due to Related Parties*	7703,83,013.89	1,082,132,748.27
(ii) Advances from customers	194,53,101.04	10,560,019.45
Total	**7898,36,114.93**	**1,092,692,767.72**

*** Related party transactions**

The immediate parent of the Establishment is Redington Gulf FZE (incorporated in Jebel Ali Free Zone, Dubai).

The Establishment enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard No. 24: *Related Party Disclosures*. Related parties comprise companies under common ownership and/or common management and control and key management personnel.

The entire amount of as at the reporting date is due to the Parent Company.

The remuneration of key management personnel are paid by the Parent Company and are not recharged to the Establishment.

10. Fixed Assets-Tangible assets:

Amount in ₹

Particulars	Furniture & Fixtures	Special costs	Computers	Total
Cost				
As at 01.04.15	41,11,981.02	22,80,027.02	49,92,830.56	113,84,838.59
Additions	5,16,333.85	14,41,319.22	-	19,57,653.07
Translation adjustments	2,53,859.18	1,55,868.50	2,99,376.31	7,09,103.99
As at 31.03.16	**48,82,174.05**	**38,77,214.74**	**52,41,517.13**	**140,00,905.91**
Accumulated Depreciation				
As at 01.04.15	3,683,083.92	2,204,021.01	4,946,719.91	10,833,824.83

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Notes to the financial statements for the year ended 31 March, 2016 (continued)

Additions	2,47,715.61	3,40,335.22	33,063.17	6,21,114.01
Translation adjustments	2,24,571.50	1,36,900.10	2,97,037.80	6,58,509.40
As at 31.03.16	**41,55,371.03**	**26,81,256.34**	**52,26,131.14**	**120,62,758.50**
Carrying Amount				
As at 01.04.15	**4,28,897.11**	**76,006.00**	**46,110.65**	**5,51,013.76**
As at 31.03.16	**7,26,803.03**	**11,95,958.40**	**15,385.99**	**19,38,147.41**

11. Inventories:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a)Trading Stocks	6213,69,742.99	821,738,727.39
(b) Goods In Transist	-	94,076,870.83
Total	**6213,69,742.99**	**915,815,598.21**

12. Trade Receivables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured, considered good	8281,91,325.49	638,562,043.39

The management consider that the carrying amount of trade and other receivables approximates their fair value.

The average credit period on sales of goods is 32 days (2015: 32 days). No interest is charged on the past due trade receivables. Management are of the opinion that all receivables are recoverable at year end and therefore no allowance for doubtful debts is required.

Of the trade receivables balance at the end of the year, INR 5050,50,000 is due from 5 customers (2015: INR 493,435,000 is due from eight customers), each of whom represents more than 5% of the total balance of trade receivables.

Included in the Establishment's trade receivable balance are debtors with a carrying amount of INR 2254,68,750 (2015: INR 129,314,000.00) which are past due at the reporting date for which the Establishment has not provided an allowance as there has not been a significant change in credit quality and the amounts are still considered recoverable.

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Notes to the financial statements for the year ended 31 March, 2016 (continued)

13. Cash and Cash Equivalents:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	18.04	11,400.05
(b) Balances with banks	248,76,418.13	189,683.22
Total	**248,76,436.16**	**201,083.27**

14. Short Term Loans and advances:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a)Loans and advances to related parties*	10813,89,034.05	864,222,511.03
(b) Secured deposits	14,66,412.68	1,381,583.97
(c) Prepaid expenses	15,91,953.68	1,231,868.99
(d)Others	88,19,291.33	8,485,993.04
Total	**10932,66,691.73**	**875,321,957.03**

***Advances have been made to related parties who are entities under common control.**

15. Revenue from Operations:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i)Sales	41371,75,970.34	6,194,936,542.63
(ii) Service Income	12075,86,073.76	894,449,960.10
(iii) Supplier Rebates	-	-
Total	**53447,62,044.10**	**7,089,386,502.73**

16. Other Income:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Other non operating income	-	-
Total	-	-

This account is utilized by the Establishment to record all income transactions which cannot be classified as part of its revenue. Revenue is generated through income earned from the customer. However, this account is used to record income earned which is incidental to the operations of the Establishment such as management fee from suppliers.

Cadensworth FZE

Notes to the financial statements for the year ended 31 March, 2016 (continued)

17. Employee Benefits:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i) Salaries and Bonus	262,90,401.90	9,669,504.86
Total	**262,90,401.90**	**9,669,504.86**

18. Other Expenses:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	58,23,391.16	4,271,328.68
Repairs and Maintenance	59,057.91	328,810.91
Utilities	5,59,385.41	447,948.68
Insurance	62,67,456.08	10,751,034.71
Travel	29,77,946.56	1,328,129.71
Provision for Doubtful receivables	-	-
Exchange Gain/(Loss) Net	45,65,673.13	30,626,613.89
Bank Charges	2,57,988.88	194,955.74
Cash discount paid	-	-
Miscellaneous Expenses	187,49,292.67	14,304,073.87
Total	**392,60,191.79**	**62,252,896.19**

19. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

(b) Categories of financial instruments

	2016 INR	**2015 INR**
Financial assets		
Loan and receivables and cash equivalents)	19442,10,032.70	1,511,497,289.34
Financial liabilities		
At amortized cost	13876,96,754.44	1,486,462,184.00

(c) Fair values

The fair value of financial assets and liabilities approximate the carrying values as at 31 March 2016 as these assets and liabilities are substantially due to be realized and settled within a period of one year in the normal course of the Establishment's business.

20. Financial risk management

The financial risk management policies are discussed by the management of the Establishment on a regular basis to ensure that these are in line with the overall business strategies and its risk management philosophy. Management sets policies which seek to minimise potential adverse effects of financial performance of the Establishment.

The Establishment's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rate.

There has been no change to the Establishment's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Foreign currency risk management

The Establishment undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The carrying amounts of the Establishment's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2016 INR	2015 INR
Liablities	182,21,698.95	235,91,722.88
Assets	280,47,482.78	71,30,067.69

Foreign currency sensitivity analysis

The following table details the Establishment's sensitivity to a 10% increase and decrease in the AED against Euro. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the AED strengthens 10% against the relevant currency. For a 10% weakening of the AED against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

	2016 INR	2015 INR
Profit or (loss) Euro	-9,82,574.78	*1,646,167.22*

This is mainly attributable to the exposure to outstanding trade receivables and trade payables at the year end.

(b) *Interest rate risk management*

The Establishment is not exposed to interest rate risk as it has no variable interest-bearing borrowings.

(c) *Credit risk management*

Credit risk arises from credit exposure to outstanding trade receivables. The management of the Establishment has implemented centralised procedures for credit control. Credit risk is minimised through a conservative credit policy. Individual counter-party limits are set in accordance with the credit policy. The Establishment's exposure to credit risk is closely monitored and the aggregate value of transactions concluded is spread amongst counter-parties. Credit exposure is controlled by counter-party limits that are reviewed and approved by the management regularly. Due to the risk on transactions in the countries in which the Establishment operates, management will, based on past experience and level of risk associated with these transactions, make an allowance for losses on such transactions should they consider it necessary.

Ongoing credit evaluation is performed on the financial condition of accounts receivable.
The credit risk on liquid funds is limited because these are held with creditworthy financial institutions.

Further details of credit risk on trade receivables are discussed in Note 8 to the financial statements.

(d) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built a liquidity risk management framework for the management of the Establishment's short, medium and long-term funding and liquidity management requirements. The Establishment manages liquidity risk by maintaining reserves, by monitoring forecast and actual cash flows and matching the maturity profiles of financial liabilities.

Liquidity risk tables

The following tables detail the Establishment's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Establishment can be required to pay.

	Less than 1 year INR	**Total INR**
2016		
Non- interest bearing instruments	13876,96,754.44	**13876,96,754.44**
2015		
Non- interest bearing instruments	1,486,462,184.02	**1,486,462,184.02**

The following tables detail the Establishment's remaining contractual maturity for its non-derivative financial assets. The tables have been drawn up based on the cash flows of financial assets based on the earliest date on which the Establishments can collect:

	Less than 1 year INR	Total INR
2016		
Non- interest bearing instruments	19442,10,032.70	**19442,10,032.70**
2015		
Non- interest bearing instruments	1,511,497,289.35	**1,511,497,289.35**

21. Capital risk management

The Establishment manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the shareholder through the optimisation of the equity balance. The Establishment's overall strategy remains unchanged from the previous year.

Having considered the structure and magnitude of the Establishment, the Parent company has decided that the capital structure be limited to shareholder's equity comprising issued capital, reserves and retained earnings and to have a zero leverage of debt financing.

22. Approval of financial statements

The financial statements for the year ended 31 March 2016 were approved and signed by the Director on **.May,20, 2016**

REDINGTON MIDDLE EAST (L.L.C)
Standalone Balance Sheet as at 31 March,2015

			Amount in ₹	
	Particulars	Note.No	As at 31st March,2016	As at 31st March,2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	5	5,411,250.00	5,104,500.00
	(b) Reserves and surplus	6	73,244,768.03	59,128,758.44
			78,656,018.03	**64,233,258.44**
2	**Non-current liabilities**			
	(a) Long-term provisions	7	28,563,283.13	33,175,319.54
			28,563,283.13	**33,175,319.54**
2	**Current liabilities**			
	(a) Short-term borrowings	8	15,281,949,995.81	5,592,440,141.87
	(b) Trade payables	9	274,296,136.24	289,039,913.39
			15,556,246,132.05	**5,881,480,055.26**
	TOTAL		**15,663,465,433.20**	**5,978,888,633.23**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets	11		
	(i) Tangible assets		34,386,545.70	25,399,277.37
	(ii) Intangible assets		26,316.71	174,080.47
	(b) Non-current investments	10	3,614,552.66	3,409,652.87
			38,027,415.08	**28,983,010.70**
2	**Current assets**			
	(a) Inventories	12	2,348,321,226.71	1,219,372,709.60
	(b)Trade receivables	13	4,308,608,209.43	3,060,058,880.66
	(d) Cash and cash equivalents	14	45,917,161.88	17,387,441.34
	(e) Short-term loans and advances	15	8,922,591,420.11	1,653,086,590.95
			15,625,438,018.13	**5,949,905,622.53**
	TOTAL		**15,663,465,433.20**	**5,978,888,633.23**

REDINGTON MIDDLE EAST (L.L.C)
Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

	Particulars	Note.No	31st March,2016 2015-16	31st March,2015 2014-15
	Income			
I.	Revenue from operations	16	39,048,969,099.55	22,893,661,648.09
II.	Other income	17	56,974.77	-
III.	**Total Revenue**		**39,049,026,074.32**	**22,893,661,648.09**
	Expenses:			
	Purchases of trading stock		39,874,719,418.17	23,475,192,142.31
	Changes in inventories of trading stock		(995,828,159.29)	(718,026,031.10)
	Employee benefits	18	18,326,913.78	16,553,972.95
	Depreciation & Amortisation	11	19,608,792.67	11,436,959.25
	Other expenses	19	121,772,761.83	99,750,376.22
	Total expenses		**39,038,599,727.16**	**22,884,907,419.63**
V.	Profit before tax		**10,426,347.16**	**8,754,228.46**
VII.	Profit before extraordinary items and tax		**10,426,347.16**	**8,754,228.46**
VIII.	Extraordinary Items			-
IX.	Profit before tax		**10,426,347.16**	**8,754,228.46**
VI.	Tax expense:			
	Current tax			
	Prior year tax provisions written back			
	Deferred tax	-	-	
VI.	Profit after Tax		**10,426,347.16**	**8,754,228.46**
XII	Profit/(loss) from discontinuing operations		-	
XIV				
XV	**Profit for the Year**		**10,426,347.16**	**8,754,228.46**
	See accompanying notes forming part of Profit and loss statement			

REDINGTON MIDDLE EAST (L.L.C)

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**10,426,347.16**		**8,754,228.46**	
Adjustments for:				
- Depreciation	19,608,792.67		11,436,959.25	
Operating Profit before working capital changes	**30,035,139.83**		**20,191,187.71**	
Increase in Trade receivables	(1,248,549,328.77)		(1,207,296,043.72)	
(Increase)/Decrease in Loans & advances and Other current assets	(7,269,504,829.17)		(1,438,686,444.45)	
Increase in Inventories	(1,128,948,517.12)		(718,026,031.10)	
Increase in Trade Payables, Other Current Liabilities & Provisions	(19,355,813.56)		70,448,760.42	
Cash generated from operations	**(9,636,323,348.78)**		**(3,273,368,571.14)**	
Net Cash (used in) / generated from operating activities		**(9,636,323,348.78)**		**-3,273,368,571.14**
Cash flow from investing activities:				
Purchase of fixed assets	(26,817,204.86)		(15,000,786.74)	
Proceeds from sale of fixed assets	-			
Interest received				
Loan settled by ESPS Trust				
Deposits placed				
Deposits settled				
Consideration for acquisition of Minority interest in a subsidiary				
Investment in associate				
Investment in subsidiaries			(140,774.68)	
Proceeds from discontinuing operations	0.00			
Net Cash used in investing activities		**(26,817,204.86)**		**(15,141,561.42)**
Cash flow from financing activities:				
(Repayment of) / Proceeds from short term borrowing	9,689,509,853.94		3,151,679,197.37	
Dividend paid	-		-	
Net Cash generated from financing activities		**9,689,509,853.94**		**3,151,679,197.37**
Net (decrease) / increase in cash and cash equivalents		**26,369,300.30**		**(136,830,935.19)**
Cash and cash equivalents at the beginning of the year		**17,387,441.34**		**152,727,021.00**
Currency Translation Adjustment		2,160,420.25		1,491,355.53
Cash and cash equivalents at the end of the year		**45,917,161.88**		**17,387,441.34**

Redington Middle East (L.L.C.)
Dubai, United Arab Emirates

Reports and financial statements
for the year ended 31 March 2016

INDEPENDENT AUDITOR'S REPORT

The Shareholders
Redington Middle East (L.L.C.)
Dubai
United Arab Emirates

Report on the Financial Statements

We have audited the accompanying financial statements of **Redington Middle East (L.L.C.), Dubai, United Arab Emirates** (the "Company") which comprise the statement of financial position as of 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Cont'd…

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Redington Middle East (L.L.C.), Dubai, United Arab Emirates,** as of 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Also, in our opinion, the Company has maintained proper books of accounts and the physical inventory was properly conducted. We obtained all the information and explanations which we considered necessary for our audit. According to the information available to us, there were no contraventions during the year of the U.A.E. Federal Commercial Companies Law No. 8 of 1984, as amended, or the Company's Articles of Association which might have materially affected the financial position of the Company or its financial performance.

Dubai
May,24,2016

1. Company and operations

Redington Middle East (L.L.C.) is a limited liability company (the "Company") registered on 27 March, 2000 in the Emirate of Dubai in accordance with the provisions of the UAE Commercial Companies Law No. 8 of 1984, as amended.

The shareholders of the Company are Mr. Ahmed Abdullah Ahmed Al Mulla, a U.A.E. National, holding 51% of the share capital and Redington Gulf FZE (parent company), a company incorporated in Jebel Ali Free Zone, holding 49% of the share and exercising control over the Company.

The principal activity of the Company is distribution of information technology products and providing hardware support and maintenance services.

The Parent Company of the Company is Redington Gulf FZE. The Ultimate Parent and controlling party is Redington (India) Limited.

The Company is operating through its main office in Dubai and its branch in Abu Dhabi. These financial statements include the financial position and operating results of the branch in Abu Dhabi. The Company's registered office is P.O. Box 12816, Dubai, U.A.E.

The Company has subsidiaries, Redington Qatar Company W.L.L. Doha, Qatar, and Redington Distribution Qatar WLL, Qatar, which are 49% legally and 100% beneficially owned by the Company. Consolidated financial statements, as required under International Financial Reporting Standards, are prepared by the parent company, Redington Gulf FZE.

2. Application of new and revised International Financial Reporting Standards ("IFRS")

2.1 New and revised IFRS applied with no material effect on the financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after1 January 2015, have been adopted in these financial statements. The application of these new and revisedIFRS has not had any material impact on the amounts reported for the current and prior years but may affectthe accounting for future transactions or arrangements.

• Annual Improvements to IFRSs 2010-2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
• Annual Improvements to IFRSs 2011-2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.
• Amendments to IAS 19 *Employee Benefits* to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

2.2 New and revised IFRS in issue but not yet effective and not early adopted

The Company has not yet early applied the following new standard, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRS	Effective for annual periods beginning on or after
• IFRS 14 *Regulatory Deferral Accounts*	1 January 2016
• Amendments to IAS 1 *Presentation of Financial Statements* relating to Disclosure initiative.	1 January 2016

- Amendments to IFRS 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations. 1 January 2016

- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortization. 1 January 2016

- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* relating to bearer plants. 1 January 2016

- Amendments to IAS 27 *Separate Financial Statements* relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. 1 January 2016

- Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities. 1 January 2016

- Annual Improvements to IFRSs 2012-2014 Cycle covering amendments to IFRS 5, IFRS 7 and IAS 19. 1 January 2016

- Finalised version of IFRS 9 [IFRS 9 *Financial Instruments* (2014)] was issued in July 2014 incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition. This amends classification and measurement requirement of financial assets and introduces new expected loss impairment model.

A new measurement category of fair value through other comprehensive income (FVTOCI) will apply for debt instruments held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets.

A new impairment model based on expected credit losses will apply to debt instruments measured at amortised costs or FVTOCI, lease receivables, contract assets and certain written loan commitments and financial guarantee contract. 1 January 2018

- IFRS 15 *Revenue from Contracts with Customers*: IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. 1 January 2018

- IFRS 15 *Revenue from Contracts with Customers* (continued)

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:
_ Step 1: Identify the contract(s) with a customer.
_ Step 2: Identify the performance obligations in the contract.
_ Step 3: Determine the transaction price.
_ Step 4: Allocate the transaction price to the performance obligations in the contract.

_ Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.
Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

• Annual Improvements to IFRSs 2012 - 2014 Cycle that include amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34	1 January 2016
• Amendments to IAS 16 and IAS 38 to clarify the acceptable methods of depreciation and amortization.	1 January 2016
• Amendments to IFRS 11 to clarify accounting for acquisitions of Interests in Joint Operations.	1 January 2016
• Amendments to IAS 16 and IAS 41 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.	1 January 2016
• Amendments to IFRS 10 and IAS 28 clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business.	1 January 2016
• Amendments to IAS 27 allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements.	1 January 2016
• IFRS 16 *Leases*: IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	1 January 2019
• Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in theCompany's financial statements for the year beginning 1 April 2016 or as and when they are applicableand adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 andIFRS 16, may have no material impact on the financial statements of the Company in the year of initial application.Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Company's financial statementsfor the annual year beginning 1 April 2018 and IFRS 16 will be adopted for the annual year beginning 1April 2019.

The application of IFRS 9, IFRS 15 and IFRS 16 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of revenue fromcontracts with customers, the Company's financial assets and financial liabilities and leases. However, itis not practicable to provide a reasonable estimate of effects of the application of these standards until theCompany performs a detailed review.

3. Significant accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

The financial statements are prepared in accordance with the historical cost basis. The significant accounting policies adopted are set out below.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes purchase costs and other related expenses incurred in bringing the inventories to their present condition and location. Effective 1 April 2014, the Company changed its cost formula from first-in-first-out (FIFO) to weighted average cost (WAC). The management performed a calculation of the impact of the change and has assessed that it is immaterial. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Investments in subsidiaries (accounted under Cost Method)

Investments in subsidiaries are accounted in these stand-alone financial statements of the Company using the "cost method" in accordance with IAS 27 *Separate Financial Statements*.

Income from the investment is recognised only to the extent that the investor receives distributions from accumulated profits of the investee arising after the date of acquisition.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any recognized impairment loss. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance are charged to profit or loss when incurred. The cost of property and equipment is depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Furniture and fixtures	4-10
Motor vehicles	3-5
Office equipment	5-8
Leasehold improvements	3-5

The estimated useful lives and depreciation method are reviewed at each year end with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit or loss.

3. Significant accounting policies (continued)

Impairment of tangible assets and intangible asset

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the value of money and the risks specific to the assets.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings other than investment property carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash- generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Equity settled share based payments

Share Purchase options granted by Redington (India) Limited to employees under the Company's Employee Stock Option Plan are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based transactions are set out in Note 14 to the financial statements.

The fair value determined at the grant date of the equity-settled share based payments is expensed over the vesting period based on the management's estimate of equity instruments that will eventually vest. At each reporting date, management revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the equity settled employee benefits reserve.

The policy described above is applied to all equity settled share-based payments that were granted after 29 February 2008 by the board of the Parent Company.

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

- it is probable that the economic benefits associated with the transaction will flow to the Company; and,
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Foreign currencies

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates. For the purpose of the financial statements, the results and financial position of the Company are expressed in Arab Emirates Dirhams, which is the functional currency of the Company, and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss' (FVTPL), ‘held-to-maturity' investments, ‘available-for-sale' (AFS) financial assets and ‘loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets held by the Company are classified as loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including trade and other receivables, bank balances and cash and amounts due from related parties are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Financial assets (continued)

Impairment of financial assets (continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial assets (continued)

Derecognition of financial assets (continued)

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities ‘at FVTPL’ or ‘other financial liabilities’.

Other financial liabilities

Other financial liabilities, including borrowings, trade and other payables and amounts due to related parties are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. Critical accounting judgments and key sources of estimation uncertainty

Critical judgments in applying the Company's accounting policies

The following are the critical judgments (apart from those involving estimations, which are dealt with below) that the directors have made in the process of applying the Company's accounting policies, which are described in Note 3 to the financial statement, and that have the most significant effect on the amounts recognized in the financial statements.

Warranties

The Company's Original Equipment Manufacturer ("OEM") generally warrants the products distributed by the Company. The Company generally does not independently warrant the products it distributes and management does not consider that any provisions for warranties or claims are required.

Revenue recognition

Management has considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 *Revenue* and in particular whether the Company had transferred the risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability for the goods sold, the management is satisfied that the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

Share based payments

In determining the fair value of share-based payments and the related charge to profit or loss, certain assumptions have to be made about future events and market conditions. In particular, judgments were made about the likely number of options that will vest, and the fair value of each option granted. The fair value was determined using a valuation model which is dependent on further estimates, including Redington India Limited's future dividend policy, risk-free interest rate and the timing with which options will be exercised and the future validity in the price of the options.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for doubtful debts - specific

Allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of the receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances. Also, specific provisions for individual accounts are recorded when the Company becomes aware of the customer's inability to meet its financial obligations such as in the case of deterioration in the customer's operating results or financial position.

Allowance for general risks

In addition to specific allowance for doubtful debts, management considers it necessary to raise an allowance for other risks based on a percentage of third party sales. Such allowance is made in order to cover the general country related economic and political risks which may affect customer account balances for which specific allowance has not been made, and other receivables.

4. Critical accounting judgments and key sources of estimation uncertainty (continued)

Inventories

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and quality issues. Based on the above factors, the Company has arrived at certain percentages for allowance for slow moving and obsolete inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

Useful lives of property and equipment

The cost of property and equipment is depreciated over the estimated useful life, which is based on expected usage of the asset, expected physical wear and tear, which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Amortization of intangible asset

The period of amortization of the accounting software is determined based on the pattern in which the asset's future economic benefits are expected to be consumed by the Company and technological obsolescence.

Leasehold improvements

Management determined the estimated useful life and related depreciation charges for its leasehold improvements. The estimate is based on the assumption that the company will renew its annual lease over the estimated useful life. The depreciation charge would change significantly should the annual lease not be renewed. Management will increase the depreciation charge when the useful life is less than the previously estimated useful life.

5. Share Capital:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up	54,11,250.00	5,104,500.00

6. **Reserves and Surplus:**

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	(329,40,201.10)	(41,694,429.56)
Add: Current year profit	104,26,347.16	8,754,228.46
Closing Balance	**(225,13,853.94)**	**(32,940,201.09)**
(b) Employee share purchase reserve*		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	54,46,365.38	5,221,500.75
CTA	3,27,294.07	224,864.63
Closing balance	**57,73,659.45**	**5,446,365.38**
(c) Statutory reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	25,52,250.00	2,446,875.00
CTA	1,53,375.00	105,375.00
Closing balance	**27,05,625.00**	**2,552,250.00**
(d) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	840,70,344.15	82,136,085.93
Movement during the year	32,08,993.37	1,934,258.22
Closing balance	872,79,337.52	**84,070,344.15**
Total	**732,44,768.03**	**59,128,758.44**

***Employee share Purchase reserve:**

a) Shares issued to directors and employees

The Holding Company issues shares to certain employees and management personnel under the "Employees Share Purchase Scheme 2009" (the Scheme) as approved by the board of directors of the Company. During the year ended 31 March 2016, no shares (2015: no shares) were issued under the Scheme.

b) Options issued to employees

Redington (India) Limited has also granted options under the Employees Stock Option Plan' 2009. Under the terms of this plan, Redington India Limited has granted options to employees of the Company to purchase its equity shares at an exercise price of Indian Rupee (INR) 348.05. These options vest over a period of 36 months from the date of grant and are to be exercised within a maximum period of 5 years from the date of vesting. These options were subsequently re-priced from Indian Rupee (INR) 348.05 to Indian Rupee (INR) 130 on 28 January 2009.

Options are granted at the discretion of the Management of Redington (India) Limited. The options vest over the three year period in the following manner: 50% of options at the end of year 1, 25% of options at the end of year 2 and 25% of options at the end of year 3 from the date of grant.

The fair values of options granted, being NIL (2013: NIL) is recorded as an expense by the Company in profit or loss over the relevant/ vesting or service periods, adjusted to reflect actual and expected levels of vesting.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions (based on year of grant and the year of re-pricing):

	Date of grant/re-pricing	
	28 February 2008 INR	28 January 2009 INR
Exercise price	348.05	130.00
Risk free interest rate	7.25%	5.70%
Expected life (in years)	4.25	4.25
Expected volatility	61%	59%
Dividend yield	1.74%	1.46%
Fair value of option	171.33	NA
Fair value of option – post re-pricing *	NA	41.49
Differential cost on re-pricing of option	NA	25.56

* Fair value per option (prior to re-pricing) was **INR 15.93**

The options activity is summarised below:

	2016 AED	**2015 AED**
Options granted	**Nil**	**Nil**
Options lapsed	**1500**	**Nil**
Options exercised	**750**	**Nil**
Outstanding as at March 31	**3500**	**5,750**

7. Long term provisions:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Provision for Gratuity	285,63,283.13	33,175,319.54
Total	**285,63,283.13**	**33,175,319.54**

Provision is made in accordance with U.A.E. Federal Labour Law, and is based on the current remuneration and cumulative years of service at the reporting date.

8. **Short term Borrowings:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Loans and advances from Related Parties	152819,49,995.81	5,592,440,141.87

The Company enters into transactions with the parties that fall within the definition of a related party as contained in International Accounting Standard No. 24: Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and key management personnel.
The management decides on the terms and conditions of the transactions and of services received/ rendered from/to related parties as well as on other charges.

9. **Trade Payable:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trade Payables	11,05,752.86	26,279,259.14
(b) Expense Payable	2731,90,383.38	262,760,654.25
Total	**2742,96,136.24**	**289,039,913.39**

10. **Investments in subsidiaries**

The Company has a legal ownership interest of 49% (beneficial ownership of 100%) in Redington Qatar Company W.L.L. Doha, Qatar and Redington Distribution Qatar WLL, Qatar. The subsidiaries were registered in August 2003 and August 2007 in Doha, Qatar, respectively.

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Qatar distribution WLL	36,14,552.66	3,409,652.87

11. Fixed Assets

Tangible Assets:

Amount in ₹

Particulars	**Furniture & Fixtures**	**Special costs**	**Vehicles**	**Total**
Cost				
As at 01.04.15	549,15,351.01	233,49,310.17	22,02,591.75	804,67,252.93
Additions	60,45,735.20	207,71,469.66	-	268,17,204.86
Disposals	-	-	7,29,989.23	7,29,989.23
Translation adjustments	33,79,163.31	16,74,845.37	1,22,814.36	51,76,823.03
As at 31.03.16	**643,40,249.51**	**457,95,625.20**	**15,95,416.88**	**1117,31,291.59**
Accumulated Depreciation				
As at 01.04.15	404,52,464.89	124,12,918.92	22,02,591.75	550,67,975.56
Additions	68,94,481.22	125,58,129.37	-	194,52,610.58
Disposals	-	-	7,29,989.23	7,29,989.23
Translation adjustments	25,21,131.74	9,10,202.89	1,22,814.36	35,54,148.98
As at 31.03.16	**498,68,077.84**	**258,81,251.18**	**15,95,416.88**	**773,44,745.89**
Carrying Amount				
As at 01.04.15	**144,62,886.12**	**109,36,391.25**	**-**	**253,99,277.37**
As at 31.03.16	**144,72,171.68**	**199,14,374.03**	**-**	**343,86,545.70**

Intangible Assets:

Amount in ₹

Particulars	Software	Total
Cost		
As at 01.04.15	**6,96,900.37**	**6,96,900.37**
Additions	-	-
Disposals	11,786.66	11,786.66
Translation adjustment	41,725.39	41,725.39
As at 31.03.16	**7,26,839.10**	**7,26,839.10**
Accumulated Depreciation	**Software**	**Total**
As at 01.04.15	**5,22,819.91**	5,22,819.91
Additions	1,56,182.09	1,56,182.09
Disposals	11,786.66	11,786.66
Translation adjustment	33,307.05	33,307.05
As at 31.03.16	**7,00,522.39**	**7,00,522.39**
Carrying Amount	**Software**	**Total**
As at 01.04.15	**174,080.47**	**174,080.47**
As at 31.03.16		

12. Inventories

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Trading Stocks	23478,75,285.60	1,191,870,684.50
(b) Goods In Transist	4,45,941.11	27,502,025.10
Total	**23483,21,226.71**	**1,219,372,709.60**

13. Trade Receivables

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Unsecured, considered good		3,060,058,880.66

14. Cash & cash equivalents

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Cash on hand	5,85,785.85	475,211.94
(b) Balances with banks -In current account	453,31,376.03	16,912,229.40
Total	**459,17,161.88**	**17,387,441.34**

15. Short-term loans & advances

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a)Loans and advances to related Parties	89160,39,244.13	1,649,168,308.69
(b) Security deposits	43,54,974.00	1,867,396.25
(c) Prepaid expenses	21,97,201.99	2,050,886.01
Total	**89225,91,420.11**	**16530,86,590.95**

16. **Income from Operations:**

Amount in ₹

Revenue from operations		
Particulars	**31-Mar-16**	**31-Mar-15**
(i)Sales	390489,69,099.55	22,893,661,648.09
Total	**390489,69,099.55**	**22,893,661,648.09**

17. **Other Income**

Particulars	**31-Mar-16**	**31-Mar-15**
Other Income	56,974.77	-

18. **Employee Benefits:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Salaries and Bonus	183,26,913.78	16,553,972.95
Total	**183,26,913.78**	**16,553,972.95**

19. **Other Expenses:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	180,36,164.41	14,266,431.26
Freight	768,72,174.72	57,254,370.96
Repairs and Maintenance	2,00,818.26	69,474.83
Insurance	100,66,747.34	6,476,476.18
Communication	4,76,878.82	316,058.04
Advertisement	2,79,301.00	66,594.62
Professional Charges	11,72,077.83	1,507,402.42
Bad Debts	-	-
Exchange Gain/(Loss) Net	(2,225.58)	112,411.71
Cash discount paid	64,292.47	1,481.73
Miscellaneous Expenses	146,06,532.56	19,679,674.47
Total	**1217,72,761.83**	**99,750,376.22**

Operating lease arrangements

The Company as a lessee:

	2016 INR	2015 INR
Minimum lease payments under operating lease recognized as expense in the year	118,51,873.69	9,592,671.32

20. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the financial statements.

(b) Fair value of financial instruments

The fair value of financial assets and liabilities approximate the carrying values in the statement of financial position as of 31 March 2016.

21. Financial risk management objectives

The Company's overall financial risk management program which relies on the involvement of senior management, seeks to minimise potential adverse effects of financial performance of the Company. The management provides guidelines for overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. Periodic reviews are undertaken to ensure that the management's guidelines are complied with.

(a) Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

(b) Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10% increase and decrease in the AED against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A number below indicates a decrease in profit where the AED weakens 10% against the relevant currency. For a 10% strengthening of the AED against the relevant currency, there would be an equal and opposite impact on the profit.

This is mainly attributable to the exposure to outstanding receivables and payables at the year end.

(c) Interest rate risk

As at 31 March 2016, the Company does not have any significant exposure to interest rate risk as there is no interest bearing financial liability.

(d) Credit risk management

Credit risk arises from credit exposure to outstanding trade receivables. The management of the Company has implemented centralised procedures for credit control. Credit risk is minimised through credit insurance and a conservative credit policy. Individual counter-party limits are set in accordance with the credit policy. The Company's exposure to credit risk is closely monitored and the aggregate value of transactions concluded is spread amongst counter-parties. Credit exposure is controlled by counter-party limits that are reviewed and approved by the management regularly. Due to the risk on transactions in the countries in which the Company operates, management will, based on past experience and level of risk associated with these transactions, make an allowance for losses on such transactions should they consider it necessary.

The credit risk on liquid funds is limited because the counterparties are banks registered in the U.A.E.

Further details of credit risk on trade receivables are discussed.

(e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built a liquidity risk management framework for the management of the Company's funding and liquidity management requirements. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the discounted financial liabilities based on the earliest date on which the Company can be required to pay.

2016	**Less than 1 year INR**	**Total INR**
Non-interest bearing instruments		
2015		
Non-interest bearing instruments	5,778,914,588.10	5,778,914,588.10

The following table details the Company's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets except where the Company anticipates that the cash flow will occur in a different period:

2016	**Less than 1 year INR**	**Total INR**
Non-interest bearing instruments		
2015		
Non-interest bearing instruments	4,728,482,026.93	4,728,482,026.93

22. Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2011.

Having considered the structure and magnitude of the Company, the management has decided that the capital structure should be limited to equity comprising issued capital, reserves and retained earnings.

23. Contingent liabilities

At 31 March 2016, the Company had the following contingent liabilities:

	2016	**2015**
	INR	INR
Letters of guarantee	-	--

24. Approval of financial statements

The financial statements for the year ended 31 March 2016 were approved and signed by the Director on May,24, 2016.

Ensure Services Arabia LLC

Standalone Balance Sheet as at 31 March,2016

	Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	12	17,667,500.00	16,625,000.00
	(b) Reserves and surplus	13	57,594,565.93	54,188,855.00
			75,262,065.93	**70,813,855.00**
2	**Non-current liabilities**			
	Long-term provisions	11	15,395,247.49	12,034,721.13
			15,395,247.49	**12,034,721.13**
3	**Current liabilities**			
	(a) Trade payables	8	52,390,056.11	77,137,822.13
	(b)Other current liabilities	10	158,983,966.89	301,581,789.25
	(c) Short-term provisions	9	355,381.76	8,208,909.63
			211,729,404.77	**386,928,521.00**
	TOTAL		**302,386,718.18**	**469,777,097.13**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	Fixed assets-Tangible assets	6	8,276,464.05	10,643,208.63
			8,276,464.05	**10,643,208.63**
2	**Current assets**			
	(a) Inventories	4	39,972,877.76	109,147,098.38
	(b)Trade receivables	3	11,750,954.60	212,748,728.50
	(c) Cash and cash equivalents	7	9,754,509.43	17,505,310.38
	(d) Short-term loans and advances	5	232,631,912.35	119,732,751.25
			294,110,254.14	**459,133,888.50**
	TOTAL		**302,386,718.19**	**469,777,097.13**

Ensure Services Arabia LLC

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note No	31st March,2016	31st March,2015
		2015-16	2014-15
Income			
Revenue from operations	14	437,090,891.32	463,467,745.64
Other income	15	21,235,855.26	2,198,986.39
Total Revenue		**458,326,746.58**	**465,666,732.04**
Expenses:			
Purchases of trading stock		45,131,166.43	337,941,346.96
Changes in inventories of trading stock		280,795,020.50	(17,173,466.38)
Employee benefits	16	92,204,228.30	62,145,295.92
Depreciation & Amortisation	6	3,239,375.14	3,024,144.23
Other expenses	17	35,971,152.66	40,365,344.44
Total expenses		**457,340,943.03**	**426,302,665.18**
Profit before tax		**985,803.56**	**39,364,066.86**
Tax expense:		350,647.00	7,292,456.11
Profit after Tax		**635,156.56**	**32,071,610.75**
See accompanying notes forming part of Financial statements			

Ensure Services Arabia LLC

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**985,803.56**		**39,364,066.86**	
Adjustments for:				
- Depreciation	3,239,375.14		3,024,144.23	
Operating Profit before working capital changes	**4,225,178.69**		**42,388,211.09**	
Decrease in Trade receivables	200,997,773.90		(111,895,512.50)	
Increase in Loans & advances and Other current assets	(112,899,161.10)		41,447,264.75	
Increase in Inventories	69,174,220.62		(17,173,466.38)	
Increase/(decrease) in Trade Payables, Other Current Liabilities & Provisions	(171,838,589.87)		59,470,730.13	
Cash generated from operations	**(10,340,577.76)**		**14,237,227.09**	
Direct taxes paid	(350,647.00)		(7,292,456.11)	
Net Cash (used in) / generated from operating activities		**(10,691,224.76)**		**6,944,770.98**
Cash flow from investing activities:				
Purchase of fixed assets	(245,653.37)		(2,660,982.84)	
Proceeds from sale of fixed assets	-			
Net Cash used in investing activities		**(245,653.37)**		**(2,660,982.84)**
Net (decrease) / increase in cash and cash equivalents		**(10,936,878.13)**		**4,283,788.14**
Cash and cash equivalents at the beginning of the year		**17,505,310.37**		**15,299,728.00**
Currency Translation Adjustment		3,186,077.18		(2,078,205.77)
Cash and cash equivalents at the end of the year		**9,754,509.42**		**17,505,310.37**

REDINGTON ARABIA LTD.
(LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS AND AUDITORS' REPORT
FOR THE YEAR ENDED MARCH 31, 2016

1. ORGANIZATION AND ACTIVITIES

Redington Arabia Ltd. is a Saudi limited liability company registered in Riyadh on Rabie Al Thani 27, 1421 H (corresponding to July 29, 2000) under Commercial Registration No. 1010160285.

The objectives of the Company are the operation and maintenance of information technology equipment and related systems and programs and training thereof.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with the accounting standards in the Kingdom of Saudi Arabia issued by the Saudi Organization for Certified Public Accountants. The following is a summary of significant accounting policies applied by the Company:

Accounting convention
The financial statements are prepared under the historical cost convention.

Use of estimates
The preparation of financial statements in conformity with generally accepted accounting standards in the Kingdom of Saudi Arabia which requires the use of estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of Contingent assets and liabilities at the reporting date of the financial statements in addition to the reported amounts of revenues and expenses during the year. Although these estimates are based on management's best knowledge of current events and activities available with the managements, actual result ultimately may differ from those estimates.

Revenue recognition
Post warranty revenues are recognized when services are completed and billed to customers.

Warranty revenue represents income generated from providing hardware support and maintenance services and is recognized when the service is rendered and claim acknowledged by the Company.

Expenses
General and administrative expenses include direct and indirect costs not specifically part of cost of revenues as required under generally accepted accounting standards. Allocations between general and administrative expenses and cost of revenues, when required, are made on a consistent basis.

Provisions for obligations
A provision is made when the Branch has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Inventory
Inventory of spare parts of laptop computers and printers are valued at weighted average cost basis. Appropriate provision is made for obsolete and slow moving inventories, if required.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method. The Company has changed the estimate of its assets useful lives during the year and accordingly revised the depreciation rates of these classes of assets as follows:

	Percent/rates
Leasehold improvement	20%
Office and service centre equipment	20%
Vehicles	33.3%
Computers	33.3%
Furniture and fixtures	20%

Impairment
The Company reviews annually the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

Operating leases
Rentals payable under a cancellable operating lease is charged to the statement of income based on a straight line basis over the term of the relevant lease.

Foreign currency translation
Foreign currency transactions are translated into Saudi Riyals at the exchange rates prevailing at the time of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of income.

End-of-service indemnities
End-of-service indemnities, required by Saudi Arabian Labour Law, are provided in the Financial statements based on employees' length of service.

Equity settled share based payments
(a) Shares granted to employees under the Holding company's share purchase scheme are valued at the book value as at the grant date. The excess of fair value over book value is charged to the statement of comprehensive income and credited to equity.

(b) Share Purchase options granted by the Parent company to employees under the Group's Employee Stock Option Plan are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments is expensed over the vesting period based on the management's estimate of equity instruments that will eventually vest. At each reporting date, management revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of income over the remaining vesting period, with a corresponding adjustment to the equity settled employee benefits reserve.

The accounting policy described above is applied to all equity settled share-based payments that were granted after February 29, 2008 by the board of directors of the Holding Company.

Key sources of estimation uncertainty

Share-based payments

In determining the fair value of share-based payments and the related charge to the income statement, certain assumptions have to be made about future events and market conditions. In particular, judgments were made about the likely number of options that will vest, and the fair value of each option granted. The fair value was determined using a valuation model which is dependent on further estimates, including the Redington India Limited future dividend policy, risk-free interest rate and the timing with which options will be exercised and the future validity in the price of the options.

Income tax
The Company is subject to the Regulations of the Department of Zakat and Income Tax (DZIT) in the Kingdom of Saudi Arabia. Income tax is provided on accrual basis. The income tax provision is computed on the basis of the net income as adjusted for Saudi Arabian tax provision. Any difference in the estimate is recorded when the final assessment is approved and agreed by the Company.

3. Trade Recievable:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Unsecured, considered good	117,50,954.60	212,748,728.50
Total	**117,50,954.60**	**212,748,728.50**

4. Inventories:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Trading Stocks	399,72,877.76	109,147,098.38
Total	**399,72,877.76**	**109,147,098.38**

5. Short term Loans and Advances:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Loans and advances to related parties	1694,47,137.41	208,02,380.38
(b) Loans and advances to employees	94,238.45	
(c) Prepaid expenses - Unsecured, considered good	34,16,629.49	-
(d) Prepaid taxes	-1,75,508.95	
(e) Other advances	598,49,415.95	989,30,370.88
Total	**2326,31,912.35**	**1197,32,751.25**

*** RELATED PARTY TRANSACTIONS**

During the year, the Company purchased spare parts from and rendered services to companies related to the shareholders. The terms of those transactions are approved by the management. During the year, the Company transacted with the following related parties:

Name	Relationship
Redington Gulf FZE	Shareholder
Cadensworth FZE	Shareholder
Redington Bahrain	Affiliate
Redington Oman	Affiliate
Redington Nigeria	Affiliate
Redington Middle East	Affiliate

REDINGTON ARABIA LTD.
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

Due from related parties:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Redington Gulf FZE		20,802,380.38
Ensure Bahrain	46,006.17	-
Redington Quatar WLL	12,914.94	-
Ensure Gulf FZE UAE	1693,88,198.63	-
Total	**1694,47,119.75**	**20,802,380.38**

6. Fixed Assets: **Amount in**

Particulars	**Furniture & Fixtures**	**Office equipments**	**Computers**	**Vehicles**	**Total**
Cost					
As at 01.04.15	**32,038,054.13**	**9,994,019.00**	**862,139.25**	**5,265,802.50**	**48,160,014.88**
Additions	2,29,092.86	16,560.51	-	-	2,45,653.37
Disposals	-	-	-	8,96,882.34	8,96,882.34
Translation adjustments	20,12,096.22	6,26,916.24	54,061.97	3,18,090.91	30,11,165.33
As at 31.03.16	**342,79,243.20**	**106,37,495.75**	**9,16,201.22**	**46,87,011.08**	505,19,951.24
Accumulated Depreciation					
As at 01.04.15	**24,165,584.63**	**7,302,780.63**	**782,638.50**	**5,265,802.50**	**37,516,806.25**
Additions	22,48,777.75	9,10,828.03	79,769.36	-	32,39,375.14
Disposals	-	-	-	-	-
Translation adjustments	15,45,710.77	4,70,232.61	50,153.85	3,18,090.91	23,84,188.14
As at 31.03.16	**279,60,073.14**	**86,83,841.26**	**9,12,561.71**	**46,87,011.08**	422,43,487.19
Carrying Amount					
As at 01.04.15	**78,72,469.50**	**26,91,238.38**	**79,500.75**	-	**106,43,208.63**
As at 31.03.16	**63,19,170.06**	**19,53,654.48**	**3,639.50**	-	**82,76,464.05**

₹

7. Cash & cash equivalents:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Cash on hand	9,95,051.27	17,23,696.63
(b) Balances with banks	87,59,458.16	157,81,613.75
(i) In current accounts	-	-
Total	**97,54,509.43**	**175,05,310.38**

8. Trade Payables:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Trade Payables	318,55,633.22	604,84,659.38
(b) Expense Payable	184,10,418.38	166,53,162.75
(c) Other Payables	21,24,004.52	-
Total	**523,90,056.11**	**771,37,822.13**

9. Short term Provisions:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Provision For Taxation	3,55,381.76	8,208,909.63
Total	**3,55,381.76**	**8,208,909.63**

The Company has finalized its income tax assessment with the Department of Zakat and Income Tax (DZIT) up to March 31, 2007. Further, the Company has filed its income tax returns for the years ended March 31, 2008 to 2013 which are under review by DZIT.

10. Other Current Liabilities:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Due to related parties	1589,83,966.89	301,581,789.25
Total	**1589,83,966.89**	**301,581,789.25**

11. Long term Provisions:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Provision for employee benefits-Gratuity	153,95,247.49	12,034,721.13
Total	**153,95,247.49**	**12,034,721.13**

12. Share Capital:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Issued, Subscribed and Paid up capital	176,67,500.00	16,625,000.00

13. Reserves and Surplus:

Amount in ₹

Particulars		
(a) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	270,82,873.43	(4,988,737.32)
Add: Current year profit	6,35,156.56	32,071,610.75
Closing Balance	**277,18,029.99**	**27,082,873.43**
(b) Statutory Reserves		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	83,12,500.00	8,000,000.00
CTA	5,21,250.00	312,500.00
Closing balance	**88,33,750.00**	**8,312,500.00**
(c) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	117,96,584.31	14,668,497.32
Movement during the year	18,10,551.57	(2,871,913.01)
Closing balance	**136,07,135.88**	**11,796,584.31**
(d) EmployeeSettled employee benefits reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	69,96,897.25	6,733,856.00
CTA	4,38,752.81	263,041.25
Closing balance	**74,35,650.06**	**6,996,897.25**
Total	**575,94,565.93**	**54,188,855.00**

***STATUTORY RESERVE**

In accordance with the Regulations for Companies in Saudi Arabia, the Company has established a statutory reserve by appropriation of 10 % of net income until the reserve equaled 50 % of the share capital. This reserve is not available for dividend distribution.

****EQUITY SETTLED EMPLOYEE BENEFIT RESERVE**

The parent company, Redington India Limited has granted options under the Employees Stock Option Plan’2008. Under the terms of this plan, the parent company has granted options to employees of the Group to purchase equity shares of the parent company at an exercise price of Indian Rupee (INR) 348.05. These options vest over a period of 36 months from the date of grant and are to be exercised within a maximum period of 5 years from the date of vesting.

These options were subsequently re-priced from Indian Rupee (INR) 348.05 to Indian Rupee(INR) Options are granted at the discretion of the management of the parent company. The options vest over the three year period in the following manner: 50% of options at the end of year 1, 25% of options at the end of year 2, and 25% options at the end of year 3 from the date of grant.

The fair values of options granted, being (2015) NIL (2014: NIL) is recorded as an expense by the Company in the statement of income over the relevant vesting or service periods, adjusted to reflect actual and expected levels of vesting.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions (based on year of grant and the year of re-pricing):

	Date of grant/re-pricing	
	January 29, 2010 INR	February 28, 2009 INR
Exercise price	130.00	348.05
Risk free interest rate	5.70%	7.25%
Expected life (in years)	4.25	4.25
Expected volatility	59%	61%
Dividend yield	1.46%	1.74%
Fair value of option	NA	171.33
Fair value of option – post re-pricing *	41.49	NA
Differential cost on re-pricing of option	25.56	NA

* Fair value per option (prior to re-pricing) was INR 15.93.

The options activity is summarized below:

	2012	2011

Options granted	-	-
Options lapsed	-	2,250
Options exercised	-	5,500
Outstanding as at March 31,	-	25,750

14. Revenue from operations

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Sales	4370,90,891.32	463,467,745.64
Total	**4370,90,891.32**	**463,467,745.64**

REDINGTON ARABIA LTD.
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

15. Other Income:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Other non operating income	212,35,855.26	2,198,986.39
Total	**212,35,855.26**	**2,198,986.39**

16. Employee Benefits:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Salaries and Bonus	922,04,228.30	62,145,295.92
Total	**922,04,228.30**	**62,145,295.92**

17. Other Expense:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Rent	100,43,094.91	88,29,037.30
Freight	-	36,77,714.10
Repairs and Maintenance	10,03,183.38	-
Utilities	10,63,428.77	21,53,652.35
Insurance	5,34,346.63	-

Communication	93,45,653.40	65,73,631.95
Printing and Stationery	13,32,476.04	-
Travel	86,05,869.29	43,23,736.45
Professional Charges	13,86,428.43	21,93,704.75
Bad Debts	-	60,64,100.77
Auditor's Remuneration	14,81,729.81	-
Exchange Gain/(Loss) Net	(51,68,988.29)	-
Bank Charges	7,60,946.70	-
Miscellaneous Expenses	55,82,983.59	65,49,766.78
Total	**359,71,152.66**	**403,65,344.44**

18. FAIR VALUE

The fair values of the Company's financial assets and liabilities approximate their carrying amounts.

19. RISK MANAGEMENT

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash and bank balances and trade receivables. The Company deposits its cash balances with a number of major high credit rated financial institutions and has a policy of limiting its balances deposited with each institution. The Company does not believe that there is a significant risk of non-performance by these financial institutions. The Company does not consider itself exposed to a concentration of credit risk with respect to accounts receivable due to its diverse customer base operating in various sectors and located throughout the Kingdom.

The Company seeks to limit its credit risk with respect to accounts receivable by setting credit limits for individual accounts and monitoring the outstanding receivables.

Commission rate risk

Commission rate risk is the uncertainty of future earnings resulting from fluctuations in commission rates. The risk arises when there is a mismatch in the assets and liabilities which are subject to commission rate adjustment within a specified period. The Company did not have material assets or liabilities with floating commission rates at year end. The Company manages its cash flows by controlling the timing between cash inflows and outflows. Management believes that the Company is not exposed to any commission rate risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management monitors fluctuations in foreign currency exchange rates, and believes that the Company is not exposed to significant currency risk.

Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

20. COMPARATIVE FIGURES

Certain figures for prior year have been reclassified to conform with the presentation in the current year.

REDINGTON AFRICA DISTRIBUTION FZE
Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	**Note.No**	**As at 31.3.2016**	**As at 31.3.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	8	18,037,500.00	17,015,000.00
	(b) Reserves and surplus	9	1,275,331,877.63	1,203,129,305.81
			1,293,369,377.63	**1,220,144,305.81**
3	**Current liabilities**			
	Trade payables	10	-	50,882,659.89
			-	**50,882,659.89**
	TOTAL		**1,293,369,377.63**	**1,271,026,965.70**
2	**Current assets**			
	(b)Trade receivables	8	-	12,657,118.20
	(d) Short-term loans and advances	6	1,293,369,377.63	1,258,369,847.50
			1,293,369,377.63	**1,271,026,965.70**
	TOTAL		**1,293,369,377.63**	**1,271,026,965.70**
	ng notes forming part of financial statements			

REDINGTON AFRICA DISTRIBUTION FZE

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note. No	31st March,2016	31st March,2015
		2015-16	2014-15
Income			
Revenue from operations	11	373,916,561.57	1,270,133,560.20
Total Revenue		**373,916,561.57**	**1,270,133,560.20**
Expenses:			
Purchases of trading stock		(849,201,164.60)	1,248,275,382.80
Changes in inventories of trading stock		1,223,117,530.31	47,092.32
Employee benefits	12	-	17,589,585.82
Other expenses	13	97,266.61	2,594,309.78
Total expenses		**374,013,632.33**	**1,268,506,370.72**
Profit before tax		**(97,070.76)**	**1,627,189.48**
Exceptional items			-
Profit before extraordinary items and tax		**(97,070.76)**	**1,627,189.48**
Extraordinary Items		-	-
Profit before tax		**(97,070.76)**	**1,627,189.48**
Tax expense:			
Current tax			
Profit after Tax		**(97,070.76)**	**1,627,189.48**

REDINGTON AFRICA DISTRIBUTION FZE
Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**-97,070.76**		**1,627,189.48**	
Adjustments for:				
- Depreciation	-		-	
- Finance cost	-			
Operating Profit before working capital changes	**-97,070.76**		**1,627,189.48**	
Increase in Trade receivables	12,657,118.20		1,078,899,463.43	
Increase in Loans & advances and Other current assets	(34,999,530.13)		(92,049,783.25)	
Increase in inventories	-		51,939.00	
Increase in Trade Payables, Other Current Liabilities & Provisions	-50,882,659.89		(1,039,043,307.93)	
Cash generated from operations	(73,322,142.57)		(50,514,499.28)	
Net Cash (used in) / generated from operating activities		**(73,322,142.57)**		**(50,514,499.28)**
Cash flow from investing activities:				
Purchase of fixed assets	-		-	
Net Cash used in investing activities		**-**		**-**
Cash flow from financing activities:				
Finance cost paid	-		-	
Net Cash generated from financing activities		**-**		**-**
Net (decrease) / increase in cash and cash equivalents		**(73,322,142.57)**		**(50,514,499.28)**
Cash and cash equivalents at the beginning of the year		**(0.01)**		**171,134.44**
Currency Translation Adjustment		73,322,142.58		50,343,364.83
Cash and cash equivalents at the end of the year		**(0.00)**		**(0.01)**

Redington Africa Distribution FZE
Jebel Ali Free Zone
Dubai - United Arab Emirates

Report and financial statements
For the year ended 31 March 2016

INDEPENDENT AUDITOR'S REPORT

The Shareholder
Redington Africa Distribution FZE
Jebel Ali Free Zone
Dubai
United Arab Emirates

Report on the Financial Statements

We have audited the accompanying financial statements of **Redington Africa Distribution FZE, Jebel Ali Free Zone, Dubai, United Arab Emirates (the "Establishment")** which comprise the statement of financial position as of 31 March 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Cont'd…

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Redington Africa Distribution FZE, Jebel Ali Free Zone, Dubai, United Arab Emirates** as of 31 March 2016, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Also, in our opinion, proper books of account have been maintained by the Establishment and the physical inventory was properly conducted. We obtained all the information and explanations which we considered necessary for our audit. According to the information available to us, there were no contraventions during the year of the provisions of the Implementing Regulation 1/92 pursuant to Law Number (9) of 1992, which might have materially affected the financial position of the Establishment or the results of its operations.

.May,24,2016

1. Establishment and operations

Redington Africa Distribution FZE is a Free Zone Establishment (the "Establishment") registered on 18 December, 2005 pursuant to Law No. 9 of 1992 of H. H. Sheikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and Implementing Regulations issued there under by the Jebel Ali Free Zone Authority.

The parent company of the Establishment is Redington Gulf FZE. The Ultimate Parent and controlling party is Redington (India) Limited.

The principal activities of the Establishment are trading in telecom products, related peripherals and accessories.

The address of the registered office of the Establishment is P.O. Box 18014, Jebel Ali Free Zone, Dubai, United Arab Emirates.

2. Adoption of new and revised international financial reporting standards (IFRSs)

2.1 Standards and Interpretations effective for the current year

The following new and revised standards and interpretations have been adopted in the current year with no material impact on the disclosures and amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements:

- Amendments to IAS 24 *Related Party Disclosures* modify the definition of a related party and simplify disclosures for government-related entities.
- Amendments to IAS 32 *Classification of Rights Issues* address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability.
- Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement.* The amendments correct an unintended consequence of IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. In particular equity instruments issued under such arrangements are measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued are recognized in profit or loss.
- Improvements to IFRSs issued in 2010 - Amendments to: IFRS 1; IFRS 3 (2008); IFRS 7; IAS 1; IAS 27 (2008); IAS34; IFRIC 13.

2.2 Standards and Interpretations in issue but not yet effective

The Establishment has not early applied the following new standards, amendments and interpretations that have been issued but which are not yet effective:

	Effective for annual periods beginning on or after
• Amendments to IFRS 7 *Disclosures – Transfers of Financial Assets* increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures of transactions when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.	1 July 2011

2. Adoption of new and revised international financial reporting standards (IFRSs) (continued)

2.2 Standards and Interpretations in issue but not yet effective (continued)

	Effective for annual periods beginning on or after
• Amendments to IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.	1 January 2015
• IFRS 10 *Consolidated Financial Statements** uses control as the single basis for consolidation, irrespective of the nature of the investee. IFRS 10 requires retrospective application subject to certain transitional provisions providing an alternative treatment in certain circumstances. Accordingly IAS 27 *Separate Financial Statements** and IAS 28 *Investments in Associates and Joint Ventures** have been amended for the issuance of IFRS 10.	1 January 2014
• IFRS 11 *Joint Arrangements** establishes two types of joint arrangements: Joint operations and joint ventures. The two types of joint arrangements are distinguished by the rights and obligations of those parties to the joint arrangement. Accordingly IAS 28 *Investments in Associates and Joint Ventures* has been amended for the issuance of IFRS 11.	1 January 2014
• IFRS 12 *Disclosure of Interests in Other Entities** combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure Standard.	1 January 2014
• IFRS 13 *Fair Value Measurement* issued in May 2011 establishes a single framework for measuring fair value and is applicable for both financial and non-financial items.	1 January 2014
• Amendments to IAS 1 - *Presentation of Other Comprehensive Income.* The amendments retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate statements. However, items of other comprehensive income are required to be grouped into those that will and will not subsequently be reclassified to profit or loss with tax on items of other comprehensive income required to be allocated on the same basis.	1 July 2012
• Amendments to IAS 12 *Income Taxes* provide an exception to the general principles of IAS 12 for investment property measured using the fair value model in IAS 40 *Investment Property* by the introduction of a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale.	1 January 2012

2. Adoption of new and revised international financial reporting standards (IFRSs) (continued)

2.2 Standards and Interpretations in issue but not yet effective (continued)

	Effective for annual periods <u>beginning on or after</u>
• Amendments to IAS 19 *Employee Benefits* eliminate the "corridor approach" and therefore require an entity to recognize changes in defined benefit plan obligations and plan assets when they occur.	1 January 2014
• IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2014
• Amendments to IFRS 7 *Financial Instruments: Disclosures* enhancing disclosures about offsetting of financial assets and liabilities	1 January 2014
• Amendments to IAS 32 *Financial Instruments: Presentation* relating to application guidance on the offsetting of financial assets and financial liabilities	1 January 2014
• Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9	1 January 2015 (or otherwise when IFRS 9 is first applied)

*In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011). These five standards are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted provided that all of these five standards are applied early at the same time.

Management is in the process of assessing the impact of the Standards and Interpretations in issue but not yet effective. However, management anticipates that the adoption of these Standards and Interpretations will not have material impact on the Financial Statements of the Establishment in the year of initial application.

3. Significant accounting policies

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

The financial statements are prepared in accordance with the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The significant accounting policies adopted are set out below.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes purchase cost and other related expenses incurred in bringing the inventories to their present condition and location. Costs of inventories are determined on a first-in-first-out (FIFO) basis. Net realizable value represents the estimated selling price for inventories less all costs necessary to make the sale.

As disclosed in Note 1 to the financial statements, purchase of inventories will be on a just-in-time basis and sales will be on a back-to-back order basis.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any recognized impairment loss. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Establishment and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit or loss when incurred. The cost of property and equipment is depreciated using the straight-line method over their estimated useful lives as follows:

3. Significant accounting policies (continued)

	Years
Furniture and fixtures	4-5
Electrical fittings	3
Office equipment	4-5

The estimated useful lives, residual values and depreciation method are reviewed at each year and with the effect of any changes ins estimate accounted for on a prospective basis. An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. The gain or loss arsing on the disposal or retirement of an item of property and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and its recognised profit or loss.

Impairment of tangible assets

At the end of each reporting period, the Establishment reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Establishment estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the value of money and the risks specific to the assets.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings other than investment property carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses , the carrying amount of the asset (cash- generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the Establishment has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Establishment retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
  the amount of revenue can be measured reliably;

- it is probable that the economic benefits associated with the transaction will flow to the Establishment; or,
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Foreign currencies

The financial statements of the Establishment are presented in the currency of the primary economic environment in which the Establishment operates. For the purpose of the financial statements, the results and financial position of the Establishment are expressed in Arab Emirates Dirhams, which is the functional currency of the Establishment, and the presentation currency for the financial statements.

In preparing the financial statements of the Establishment, transactions in currencies other than the Establishment's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are included in profit or loss.

Provisions

Provisions are recognised when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that the Establishment will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Establishment as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the year in which they are incurred.

Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss' (FVTPL), ‘held-to-maturity' investments, ‘available-for-sale' (AFS) financial assets and ‘loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All of the Establishment’s financial assets are classified as loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including trade and other receivables, bank balances and cash and amounts due from related parties are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Establishment’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

3. Significant accounting policies (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Establishment derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Establishment neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Establishment recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Establishment retains substantially all the risks and rewards of ownership of a transferred financial asset, the Establishment continues to recognize the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Establishment retains an option to repurchase part of a transferred asset), the Establishment allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3. Significant accounting policies (continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. All of the Establishment's financial liabilities are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities, including trade and other payables (excluding advance received from customers and provision for general risks) and amounts due to related parties are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

The Establishment derecognizes financial liabilities when, and only when, the Establishment's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. Critical accounting judgments and key sources of estimation uncertainty

Critical judgments in applying the Establishment's accounting policies

The following are the critical judgments (apart from those involving estimations, which are dealt with below) that the management have made in the process of applying the Establishment's accounting policies, which are described in Note 3 to the Financial Statements, and that have the most significant effect on the amounts recognized in the financial statements.

Warranties

The Establishment's Original Equipment Manufacturers ("OEM") generally warrant the products distributed by the Establishment. The Establishment generally does not independently warrant the products it distributes and management does not consider that any provisions for warranties or claims are required.

4. Critical accounting judgments and key sources of estimation uncertainty (continued)

Critical judgments in applying the Establishment's accounting policies (continued)

Revenue recognition

Management has considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 *Revenue* and in particular whether the Establishment had transferred the risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability for the goods sold, the management is satisfied that the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

Key sources of estimation uncertainties

The key assumptions concerning the future, and other key sources of estimation uncertainties at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Useful lives of Property and equipment

The cost of property and equipment is depreciated over the estimated useful life, which is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Allowance for general risks

In addition to specific allowance for doubtful debts, management has considered it necessary to raise a provision for other risks based on a percentage of third party sales. Such allowance was made in order to cover the general country related economic and political risks, which may affect customer account balances for which specific allowance has not been made, and other receivables. During the year, losses on receivables arising as a result of the changes in distribution strategy referred to in Note 1 to the financial statements, an amount of INR 11.91 Lakhs (2014 40.84 Lakhs) were written off against this provision.

Original equipment manufacturer ("OEM") suppier programs

OEM supplies formulae programs for inventory volume promotion programs and price protection rebates. Inventory volume promotion programs and price protection rebates are recorded as a reduction of cost of sales. The rebates are accrued based on the terms of the program and sales of qualifying products. Some of these programs may extend over one or more quarterly reporting periods. The Group tracks vendor promotional programs for volume discounts on a program-by-program basis. Once the program is implemented, the benefit of the program based on the actual volume is recorded as a receivable from vendors with a corresponding reduction in cost of sales. Concurrently, the vendor receivable is collected generally through reductions authorised by the vendor to accounts payable. The Establishment monitors the balances of receivables from vendors on a monthly basis. Actual rebates may vary based on volume or other sales achievement levels, which could result in an increase or reduction in the estimated amounts previously accrued. OEM suppliers may change the terms of some or all these programs or cease them altogether. Any such change could impact the gross margins on products or revenue earned.

Inventories

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and quality issues. Revisions to these adjustments would be required if these factors differ from the estimates.

5. Property and equipment

Amount in ₹

Particulars	Furniture & Fixtures	Special costs	Total
Cost			
As at 01.04.15	**6,762,441.60**	**2,208,581.03**	**8,971,022.63**
Translation adjustments	4,06,382.40	1,32,722.55	-
As at 31.3.16	**71,68,824.00**	**23,41,303.58**	**-**
Accumulated Depreciation			
As at 01.04.15	**6,762,441.60**	**2,208,581.03**	**8,971,022.63**
Translation adjustments	4,06,382.40	1,32,722.55	-
As at 31.3.16	**71,68,824.00**	**23,41,303.58**	**-**
Carrying Amount			
As at 31.3.16	**-**	**-**	**-**
As at 31.3.15	**-**	**-**	**-**

6. Short Term Loans and Advances

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Loans and advances to related parties	12799,51,642.13	12583,69,847.50
(b) Security deposits	134,17,735.50	-
Total	**12933,69,377.63**	**12583,69,847.50**

Related Party Transactions

a) The Establishment enters into transactions with Companies and entities that fall within the definition of a related party as contained in International Accounting Standard No. 24: *Related Party Disclosures*. Related parties comprise companies and entities under common ownership and/or common management and key management personnel. The management decides on the terms and conditions of the transactions and services/rendered from/to related parties as well as on other charges.

b) At the reporting date, balances with related parties were as follows:

	2016 INR	**2015 INR**
Due from related parties		
Entities under common ownership or common control	12799,51,642.13	1,206,415,406.25
Due to related parties		
Parent Company	--	50,883,170.33
Entities under common ownership or common control		
	12799,51,642.13	**1257298576.58**

c) Due to/due from related party balances represent unsecured, interest-free funds (excluding the balance due to the Parent Company) without any fixed repayment terms.

d) The following is summary of transactions with related parties, which are included in the financial statements:

	2016 INR	2015 INR
Sales to entities under common control		1,270,133,560.20
Rebates to entities under common control		19,978,384.62
Interest expense charged by the Parent Company [Note 6(e)]	-	--
Transfer of employees' end of service indemnity [Note 11]		4,941,370.41
Provision for general risks transferred to a related party (Note 11)	-	11,910,829.8

e) The parent company obtains facilities from banks at floating interest rates and provides funds to the Establishment to meet its working capital requirements. The parent company recharges interest to the Establishment based on interest charged by the banks.

f) Key management remuneration is paid by the parent company and is not recharged to the Establishment.

7. Trade and other receivables

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Trade receivables	--	12,657,118.20
Total	**---**	**12,657,118.20**

The average credit period on sale of goods is 30 days (2014: 30 days). No interest is charged on the past due trade receivables.

Of the trade receivables balance at the end of the year, INR .... is due from five customers(2015: INR ----------------), who each represent more than 5% of the total balance of trade receivables. There is no concentration of credit risk as this is a result of the change in business strategy as explained in Note 1.

Included in the Establishment's trade receivable balance are debtors with a carrying amount of INR .... (2014: INR 955,912,500.00) which are past due at the reporting date for which the Establishment has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Ageing of past due trade receivables but not impaired:

	2016 INR	2015 INR
1-30 days overdue	--	---
31-60 days overdue	--	----
61-90 days overdue	--	----
Over 90 days overdue		
Total	**--**	**---**

In determining the recoverability of trade receivable, the Establishment considers significant change in the credit quality of the trade receivable from the date credit was initially granted upto the reporting date. The concentration of the credit risk is limited due to the customer base being large and unrelated.

Accordingly, the management believes that there is no allowance currently required to be provided for trade receivables.

8. Share capital

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Issued, Subscribed and Paid up capital	**180,37,500.00**	**17,015,000.00**

9. Reserves and Surplus

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Profit and Loss Account		
Opening Balance	9474,61,215.82	945,834,026.34
Add: Current year profit	(97,070.76)	1,627,189.48
Closing Balance	**9473,64,145.05**	**947,461,215.82**
(b) Foreign Currency Translation reserve		
Opening balance	2556,68,089.99	206,027,225.16
Movement during the year	722,99,624.54	49,640,864.83
Closing balance	**3279,67,714.53**	**255,668,089.99**
Total	**12753,31,859.59**	**1,203,129,305.81**

10. Trade and Other payables

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Trade Payables	-	-
(b) Expense Payable	-	-
(c)Due to related parties	-	50,882,659.89
Total	-	**50,882,659.89**

11. Revenue from Operations

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i)Sales	3739,16,561.57	1,270,133,560.20
(ii) Supplier Rebates	-	-
Total	**3739,16,561.57**	**1,270,133,560.20**

12. Employee Benefits

Amount in ₹

Particulars	31-Mar-16	31-Mar-15

(i) Salaries and Bonus	-	17,589,585.82
Total	-	**17,589,585.82**

13. Other expenses

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	-	-
Utilities	-	-
Communication	-	1,87,064.27
Advertisement	-	-
Travel	-	7,92,276.14
Professional Charges	-	3,03,887.88
Exchange Gain/(Loss) Net	3,792.38	5,64,888.83
Bank Charges	93,474.23	96,911.81
Miscellaneous Expenses	-	6,49,280.85
Total	**97,266.61**	**25,94,309.78**

14. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

(b) Categories of financial instruments

	2016 INR	***2015 INR***
Financial assets		
Loans and receivables		
(including cash and cash equivalents)	*12933,69,377.63*	*1,271,026,965.70*
Financial liabilities		
At amortized cost	--	*50,882,659.89*

15. Financial risk management

The Establishment's overall financial risk management program which relies on the involvement of senior management, seeks to minimize potential adverse effects of financial performance of the Establishment. The management provides guidelines for overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. Periodic reviews are undertaken to ensure that the management's guidelines are complied with.

(a) Foreign currency risk management

There are no significant exchange rate risks at the end of the reporting period as substantially all the financial assets and financial liabilities are denominated in Arab Emirates Dirhams or U.S. Dollars to which Dirham is fixed.

(b) Interest rate risk management

The parent company obtains facilities from banks at floating interest rates and provides funds to the Establishment to meet its working capital requirements. The parent company recharges interest to the Establishment based on interest charged by the banks. The Establishment is exposed to interest rate risk as the parent borrows funds at floating interest rates.

The Establishment's exposure to interest rate risk on financial assets and financial liabilities is detailed in the liquidity risk management section of this note.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to management and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Establishment's profit and other equity for the year ended 31 March 2016 would decrease/increase by nil (2015: INR ----NIl-------). This is mainly attributable to the Establishment's exposure to interest rates on its variable rate related party balances due to the Parent Company.

(c) Fair value of financial instruments

The fair value of financial assets and financial liabilities approximate the carrying values in the statement of financial position as of 31 March 2015 as these assets and liabilities are substantially due to be realized and settled within a period of one year in the normal course of the Establishment's business.

(d) Credit risk management

Credit risk arises from credit exposure to outstanding trade receivables. The management of the Establishment has implemented centralized procedures for credit control. Credit risk is minimized through a conservative credit policy. Individual counter-party limits are set in accordance with the credit policy. The Establishment's exposure to credit risk is continuously monitored and the aggregate value of transactions concluded is spread amongst counter-parties. Credit exposure is controlled by counter-party limits that are reviewed and approved by the management regularly.

The credit risk on liquid funds is limited because the counterparties are banks registered in U.A.E.

Further details of credit risk on trade receivables are discussed in Note 8 to the financial Statements.

The Establishment, on occasion, makes payment to suppliers in order to avail settlement discounts based on invoice dates, which could be earlier than the date of receipt of goods and prior to recording the purchase and liability.

16. Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built a liquidity risk management framework for the management of the Establishment's short , medium and long-term funding and liquidity management requirements. The Establishment manages liquidity risk by maintaining reserves and by monitoring forecast and actual cash flows and matching the maturity profiles of financial liabilities.

Liquidty risk tables

The following tables detail the Estabishment's remaining contractual maturity for its non-derivative financial liabilities. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Establishment can be required to pay.

	Average Interest rate %	Less than 1 year INR	Total INR
2016			
Variable interest rate instruments			
Non-interest bearing funds	-	--	**50,874.85**

2015			
Variable interest rate instruments	4.2		1,027,312.31
Non-interest bearing funds			46,833.19
			1,074,145.50

The following tables details the Establishment's remaining contractual maturity for its non-derivative financial assets. The tables below have been drawn up based on the cash flows of financial assets based on the earliest date on which the Establishment can collect.

	Average Interest rate %	Less than 1 year INR	Total INR
2016			
Non-interest bearing funds	-	1,293,369.37	1,293,369.37
2015			
Non-interest bearing funds	-	1,271,020.50	1,271,020.50

22. Capital Risk Management

The Establishment manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the shareholder through the optimization of the equity balance. The Establishment's overall strategy remains unchanged from the previous year.

The capital structure of the Establishment consists of share capital and retained earnings.

23. Contingent Liabilities

	2016 INR	**2015 INR**
Letters of guarantees	---	6,806,000.00

23. Approval of financial statements

The financial statements for the year ended 31 March 2016 were approved and signed by the Director on May,20, 2016.

REDINGTON QATAR COMPANY W.L.L
Standalone Balance Sheet as at 31 March, 2016

			Amount in ₹	
	Particulars	**Note.No**	**As at 31.03.2016**	**As at 31.03.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	5	3,639,000.00	3,433,000.00
	(b) Reserves and surplus	6	353,111,165.58	315,419,714.42
			356,750,165.58	**318,852,714.42**
2	**Non-current liabilities**			
	Long-term provisions	7	7,140,482.19	7,176,291.71
			7,140,482.19	**7,176,291.71**
3	**Current liabilities**			
	(a) Trade payables	8	36,967,327.35	47,183,100.51
	(b)Other current liabilities	9	173,899,130.99	3,086,661,365.88
	(c) Short-term provisions	10	447,469.64	1,608,017.20
			211,313,927.97	**3,135,452,483.58**
	TOTAL		**575,204,575.74**	**3,461,481,489.71**
B	**ASSETS**			
1	**Non-current assets**			
	Fixed assets			
	Fixed Assets-Tangible assets	11	15,861,800.57	14,384,750.62
			15,861,800.57	**14,384,750.62**
2	**Current assets**			
	(a) Inventories	12	17,168,856.59	14,972,360.07
	(b)Trade receivables	13	68,513,763.77	87,672,056.99
	(c) Cash and cash equivalents	14	54,753,212.78	15,371,411.99
	(d) Short-term loans and advances	15	418,906,942.05	3,329,080,910.05
			559,342,775.18	**3,447,096,739.09**
	TOTAL		**575,204,575.74**	**3,461,481,489.71**
	See accompanying notes forming part of Balance Sheet			

REDINGTON QATAR COMPANY W.L.L

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note No.	31st March,2016	31st March,2015
		2015-16	**2014-15**
Income			
Revenue from operations	16	301,190,857.40	282,005,549.83
Other income	17	9,386,223.08	1,787,033.02
Total Revenue		**310,577,080.48**	**283,792,582.84**
Expenses:			
Purchases of trading stock		200,902,804.10	166,987,048.54
Changes in inventories of trading stock		(2,196,496.52)	14,500,833.38
Employee benefits	18	39,117,114.09	34,251,494.12
Depreciation & Amortisation	11	3,272,727.71	1,565,081.50
Other expenses	19	50,520,521.61	43,812,926.93
Total expenses		**291,616,670.99**	**261,117,384.47**
Profit before tax		**18,960,409.48**	**22,675,198.38**
Tax expense:			
##	438,928		
Prior year tax provisions written back			
Current tax		438,928.30	1,349,310.70
Profit for the Year		**18,521,481.18**	**21,325,887.68**
See notes accompanying statement of Profit and Loss			

REDINGTON QATAR COMPANY W.L.L

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**18,960,409.48**		**22,675,198.38**	
Adjustments for:				
- Depreciation	3,272,727.71		1,565,081.50	
Operating Profit before working capital changes	**22,233,137.19**		**24,240,279.88**	
(Increase)/ Decrease in Trade receivables	19,158,293.23		(13,294,369.14)	
Increase in Loans & advances and Other current assets	2,910,173,968.00		(638,151,600.05)	
Increase in Inventories	(2,196,496.52)		14,500,833.38	
Increase in Trade Payables, Other Current Liabilities & Provisions	(2,924,174,365.13)		624,111,086.21	
Cash generated from operations	**25,194,536.76**		**11,406,230.27**	
Direct taxes paid	(438,928.30)		(1,349,310.70)	
Net Cash (used in) / generated from operating activities		**24,755,608.46**		**10,056,919.57**
Cash flow from investing activities:				
Purchase of fixed assets	(4,370,192.13)		(12,099,842.67)	
Proceeds from sale of fixed assets	491,531.45			
Net Cash used in investing activities		**(3,878,660.68)**		**(12,099,842.67)**
Cash flow from financing activities:				
Net Cash generated from financing activities		-		-
Net (decrease) / increase in cash and cash equivalents		**20,876,947.78**		**(2,042,923.10)**
Cash and cash equivalents at the beginning of the year		**15,371,411.98**		**5,432,467.04**
Currency Translation Adjustment		18,504,853.01		11,981,868.04
Cash and cash equivalents at the end of the year		**54,753,212.77**		**15,371,411.98**

REDINGTON QATAR COMPANY W.L.L.
DOHA - QATAR

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
MARCH 31, 2016

INDEPENDENT AUDITOR’S REPORT

The Partners
Redington Qatar Company W.L.L

Report on the Financial Statements

We have audited the accompanying financial statements of Redington Qatar Company W.L.L., which comprise of the statement of financial position as at March 31, 2016, and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Redington Qatar Company W.L.L., as of March 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

We are also of the opinion that proper books of account were maintained by the Company and physical inventory verification has been duly carried out. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the Qatar Commercial Companies Law No. 5 of 2002 and the Company's Articles of Association were committed during the year which would materially affect the Company's activities or its financial position.

For **Deloitte & Touche**

Doha - Qatar
May 24, 2016

Muhammad Bahemia
License No. 103

1. **GENERAL INFORMATION**

Redington Qatar Company W.L.L. (the "Company") is incorporated as a limited liability company and operates in the State of Qatar under Commercial Registration No. 25255. The address of the Company's registered office is P.O. Box 23248, Doha – Qatar.

The principal activities of the Company are trading of software products, installation of computer programs and maintenance services.

The ownership of the Company, as per Commercial Registration is as follows:

Name	Ownership %
Shaikh Jassem Ahmed Khalifa Ahmed Al Thani	51%
Redington Middle East Company	49%

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and revised IFRSs affecting amounts reported in the financial statements

The following are the revised IFRSs that were effective in the current year and have been applied in the preparation of these financial statements:

(i) Revised Standards

Effective for annual periods beginning on or after July 1, 2014

• IAS 19 (Revised)	*Amendments to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.*
• Annual improvements to IFRSs 2010-2012 cycle	*Amendments to issue clarifications on IFRSs-IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.*
• Annual Improvements 2011- 2013 Cycle	*Amendments to issue clarifications on IFRSs-IFRS 1, IFRS 3, IFRS 13 and IAS 40.*

The adoption of these new and revised standards had no significant effect on the financial statements of the Company for the year ended March 31, 2016, other than certain presentation and disclosure changes.

2.2 New and revised IFRSs in issue but not yet effective (Early adoption allowed)

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

(i) New Standards:

Effective for annual periods beginning on or after January 1,2016

- IFRS 14 — *Regulatory Deferral Accounts.*

Effective for annual periods beginning on or after January 1, 2018

- IFRS 15 — *Revenue from Contracts with Customers.*
- IFRS 9 — *Financial Instruments.*

Effective for annual periods beginning on or after January 1, 2019

- IFRS 16 — *Leases*

(ii) Revised Standards:

Effective for annual periods beginning on or after January 1, 2016

- IFRS 10 & IAS 28 (Revised) — *Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture.*
- IFRS 11 (Revised) — *Amendments regarding the accounting for acquisitions of an interest in a joint operation.*
- IFRS 12 (Revised) — *Amendments regarding the application of the consolidation exception.*
- IAS 1 (Revised) — *Amendments resulting from the disclosure initiative.*
- IAS 16 (Revised) — *Amendments regarding the clarification of acceptable methods of depreciation and amortization and amendments bringing bearer plants into the scope of IAS 16.*

- IAS 27 (Revised) — *Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.*

- IAS 38 (Revised) — *Amendments regarding the clarification of acceptable methods of depreciation and amortization.*

- IAS 41 (Revised) — *Amendments bringing bearer plants into the scope of IAS 16.*

- Annual Improvements 2012-2014 Cycle — *Amendments to issue clarifications and add additional/specific guidance to IFRS 5, IFRS 7, IAS 19 and IAS 34.*

Effective for annual periods beginning on or after January 1, 2018 (or on early application of IFRS 9)

 IFRS 7 (Revised) — *Financial Instruments Disclosures - Amendments requiring disclosures about the initial application of IFRS 9.*

 IAS 39 (Revised) — *Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception.*

Management anticipates that the adoption of the above Standards and Interpretations (except as described in next paragraph) in future years will have no material impact on the financial statements of the Company in the period of initial application.

Management anticipates that IFRS 15, IFRS 9 and IFRS 16 will be adopted in the Company’s financial statements for the annual period beginning from January 1, 2018 and January 1, 2019, as applicable. The application of these standards may have significant impact on amounts reported in the financial statements and will result in more extensive disclosures in the financial statements. However, management has not yet performed a detailed analysis of the impact of the application of these Standards and hence has not yet quantified the extent of the impact.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) the applicable provisions of Qatar Commercial Companies Law.

Basis of preparation

The financial statements have been prepared under the historical cost basis. The principal accounting policies adopted are set out below:

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Service revenue is recognized as services are performed.

Foreign currencies

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency) and the results and financial position of the Company are expressed in Qatari Riyals (QR.), which is the functional currency of the Company and the presentation currency for the financial statements.

Transactions in currencies other than the Company’s functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items are included in the statement of income for the year.

Employees’ end of service benefits

Employees’ end of service benefits are made in accordance with the Qatar Labor Law, and are based on current remuneration and cumulative years of service at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses if any.

The following useful lives are used in the calculation of depreciation:
Motor vehicles 3 to 5 years
Furniture and fixtures 5 years
Equipment and computer hardware 5 years
Improvements 5 years

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

Impairment of tangible assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises invoice price and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realizable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets

Trade receivables

Trade receivables are stated at original invoice amount being the fair value, less any impairment for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks maturing within three months that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off and changes in the carrying amount of the allowance account are recognized in the statement of profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company also continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit or loss.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Liabilities are recognized for amounts to be paid in the future for goods or services received.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY

In the application of the Company's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgment in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

Key sources of estimation uncertainty

The following are the key assumption and other key source of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities:

Impairment of trade receivables

Allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and aging of the receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances.

Impairment of inventories

Inventories are stated at the lower of cost and net realizable value. Adjustments to reduce the cost of inventory to its realizable value are made for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues. Based on the above factors and considering the fact that the stock on hand are recently purchased items expected to be sold immediately, management is of the opinion that no allowance for slow-moving stock is required. Revisions to these adjustments would be required if these factors differ from the estimates.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY

Impairment of tangible assets

The Company's management tests annually whether tangible assets have suffered impairment in accordance with accounting policies stated in note 3. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

5. Share Capital

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued Subscribed capital	36,39,000.00	3,433,000.00

6. Reserves and Surplus

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	2492,97,329.43	227,971,441.76
Add: Current year profit	189,60,409.48	21,325,887.68
Closing Balance	**2682,57,738.92**	**249,297,329.44**
(b) Statutory Reserves*		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	17,16,500.00	1,647,800.00
CTA	1,03,000.00	68,700.00
Closing balance	**18,19,500.00**	**1,716,500.00**
(c) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	644,05,884.99	52,253,492.15
Movement during the year	186,28,041.68	12,152,392.84
Closing balance	**830,33,926.67**	**64,405,884.99**
Total	**3531,11,165.58**	**315,419,714.42**

***Statutory reserve:**

In accordance with Qatar Commercial Company's Law No.5 of 2002, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except in circumstances as specified in the Law.

****Employee Share Purchase reserve:**

The parent company, Redington India Limited has granted options under the Employees Stock Option Plan 2008. Under the terms of this plan, the parent company has granted options to employees of the Group to purchase equity shares of the parent company at an exercise price of Indian Rupee (INR) 348.05. These options vest over a period of 36 months from the date of grant and are to be exercised within a maximum period of 5 years from the date of vesting. These options were subsequently re-priced from Indian Rupee (INR) 348.05 to Indian Rupee (INR) 130 on January 28, 2009.

Options are granted at the discretion of the management of the parent company. The options vest over the three year period in the following manner: 50% of options at the end of year 1, 25% of options at the end of year 2 and 25% options at the end of year 3 from the date of grant.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions (based on year of grant and the year of re-pricing):

	Date of grant/re-pricing	
	February 28, 2008	January 29, 2009
	INR	INR
Exercise price	348.05	130.00
Risk free interest rate	7.25%	5.70%
Expected life (in years)	4.25	4.25
Expected volatility	61%	59%
Dividend yield	1.74%	1.46%
Fair value of option	171.33	NA
Fair value of option – post re-pricing*	NA	41.49
Differential cost on re-pricing of option	NA	25.56

* Fair value per option (prior to re-pricing) was INR 15.93

The options activity is summarized below:

Options granted:	Nil
Options lapsed:	Nil
Options exercised:	Nil
Outstanding as at March 31, 2016	Nil

7. Long term Provisions

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Provision For Gratuity	4,47,469.64	7,176,291.71

8. Trade Payables

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Trade Payables	274,87,022.75	34,152,788.54
(b)Expense Payable	94,80,304.61	13,030,311.97
Total	**369,67,327.35**	**47,183,100.51**

9. Other Current Liabilities

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Partner's current account	115,85,138.60	10,929,315.97
(b) Due to related parties*	1623,13,992.39	3,075,732,049.91
Total	**1738,99,130.99**	**3,086,661,365.88**

***Related parties:** Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in the year for bad or doubtful debts in respect of the amounts owed by related parties. At the reporting date amounts due to related parties are as follows.

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Candesworth FZE - U.A.E.	1592,70,623.91	1115,94,763.01
Redington Qatar Distribution Company W.L.L.- Qatar	-	29639,37,537.80
Ensure Services Arabia L.L.C. - U.A.E.	12,936.65	1,99,749.11
Redington Gulf FZE - U.A.E.	30,21,261.56	-
Redington Gulf & Co. L.L.C. - Kuwait	9,170.28	-
Total	**1623,13,992.39**	**30757,32,049.91**

10. Short Term Provision

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Provision For Taxation	4,47,469.64	1,608,017.20

11. Fixed Assets

Amount in ₹

Particulars	**Furniture & Fixtures**	**Office equipments**	**Vehicles**	**Total**
Cost				
As at 01.04.15	**7,161,735.79**	**16,068,122.17**	**7,643,111.05**	**30,872,969.00**
Additions	12,12,296.98	31,57,895.16	-	43,70,192.13
Asset acquired on transfer	127,42,695.58	-	-	127,42,695.58
Disposals	63,45,800.51	31,03,424.23	-	94,49,224.74
Transfer of asset	-	127,42,695.58	-	127,42,695.58
Translation adjustments	5,29,556.99	7,97,747.26	4,58,631.19	17,85,935.43
As at 31.03.16	**153,00,484.82**	**41,77,644.78**	**81,01,742.24**	**275,79,871.83**
Accumulated Depreciation				
As at 01.04.15	**6,026,082.22**	**3,572,585.78**	**6,889,550.38**	**16,488,218.38**
Additions	21,35,249.69	4,61,934.32	6,75,543.70	32,72,727.71
Disposals	59,64,288.49	29,93,404.80	-	89,57,693.29
Translation adjustment	3,11,373.86	1,81,170.21	4,22,274.39	9,14,818.46
As at 31.03.16	**25,08,417.29**	**12,22,285.52**	**79,87,368.47**	**117,18,071.27**
Carrying Amount				
As at 01.04.15	**1,135,653.57**	**12,495,536.39**	**753,560.67**	**14,384,750.62**
As at 31.03.16	**127,92,067.53**	**29,55,359.27**	**1,14,373.77**	**158,61,800.57**

12. Inventories

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Goods In Transist	29,35,945.20	1,104,979.71
(b) Service Spares	142,32,911.39	13,867,380.36
Total	**171,68,856.59**	**14,972,360.07**

13. Trade Receivables

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured, considered good	685,13,763.77	87,672,056.99

14. Cash and Cash Equivalents

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	5,63,007.89	91,712.60
(b) Balances with banks in current account	541,90,204.89	15,279,699.39
Total	**547,53,212.78**	**15,371,411.99**

15. Short term Loans and advances

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Loans and advances to related parties*	4101,05,547.48	33243,87,329.61
(b) Security deposits	68,65,865.06	16,03,966.26
(c) Prepaid expenses	15,04,107.87	30,89,614.18
(d) Other Advances	4,31,421.65	-
Total	**4189,06,942.05**	**33290,80,910.05**

*Details of Loans and advances to related parties are as follows

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Ensure Gulf FZE – U.A.E.	4100,86,188.00	3,324,177,350.17
Ensure Middle East Trading L.L.C. - U.A.E.	19,359.48	209,979.45
Total	**4101,05,547.48**	**3,324,387,329.61**

16. Revenue from Operations

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Sales	3011,90,857.40	282,005,549.83
Total	**3011,90,857.40**	**282,005,549.83**

17. Other Income

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Other non operating income	93,86,223.08	1,787,033.02

18. Employee Benefits

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Salaries and Bonus	391,17,114.09	34,251,494.12

19. Other Expenses:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Rent	219,02,558.09	15,743,760.87
Repairs and Maintenance	55,34,735.00	5,282,462.88
Communication	22,65,311.83	1,201,259.04
Travel	66,58,671.62	3,859,840.15
Miscellaneous Expenses	141,59,245.07	17,725,603.99
Total	**505,20,521.61**	**43,812,926.93**

20. FINANCIAL INSTRUMENTS

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. Financial assets comprise cash and bank balances, trade and other receivables and due from related parties. Financial liabilities comprise trade and other payables and due to related parties.

Fair value of financial instruments

The fair value of financial instruments is not materially different from their carrying values.

21. FINANCIAL RISK MANAGEMENT

Financial risk factors

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company's exposure of its counterparties is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers, spread across diverse industries. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not significantly exposed to interest rate risk.

Liquidity risk

Liquidity risk represents the risk that the Company will not be able to settle its financial obligations due to cash and liquidity problems. Liquidity risk arises from the inability to collect payments from customers as and when they become due. Management believes that cash and liquidity sources are sufficiently available to cover future obligations of the Company.

Foreign currency risk

The Company undertakes certain transactions denominated in foreign currencies which give rise to exposures to exchange rate fluctuations.

Foreign currency sensitivity analysis

The Company is mainly exposed to United States Dollars (USD). The Company's management does not consider currency risk to be significant since the USD is pegged to the Qatari Riyal.

Capital risk

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders. The Company's overall strategy remains unchanged from 2014.

The capital structure of the Company consists of equity, comprising capital, reserves and retained earnings.

22. COMPARATIVE FIGURES

Certain of the prior year figures have been reclassified to conform to current year's presentation.

23. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the management and authorized for issue on 24, May, 2016.

Ensure Services Bharain SPC

Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	**Note No.**	**As at 31.03.2016**	**As at 31.03.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	4	8,786,250.00	8,288,750.00
	(b) Reserves and surplus	5	23,610,586.73	20,132,047.55
			32,396,836.73	**28,420,797.55**
2	**Non-current liabilities**			
	Long-term provisions	6	1,581,876.45	1,266,189.45
			1,581,876.45	**1,266,189.45**
3	**Current liabilities**			
	Trade payables	7	63,579,237.98	57,035,054.53
			63,579,237.98	**57,035,054.53**
	TOTAL		**97,557,951.15**	**86,722,041.52**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	Fixed assets-Tangible assets	8	371,306.93	858,051.40
			371,306.93	**858,051.40**
2	**Current assets**			
	(a) Inventories	9	3,638,737.58	9,219,742.40
	(b)Trade receivables	10	11,070.68	1,144,344.83
	(c) Cash and cash equivalents	11	116,681.40	1,174,847.43
	(d) Short-term loans and advances	12	93,420,154.58	74,325,055.48
	(g) Short term receivable under financing activity			
			97,186,644.23	**85,863,990.13**
	TOTAL		**97,557,951.15**	**86,722,041.53**

ng notes forming part of Statement of profit and loss

Ensure Services Bharain SPC

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note No	31st March,2016	31st March,2015
		2015-16	**2014-15**
Income			
Revenue from operations	13	33,562,996.32	36,602,992.95
Other income	14	25,948,177.54	21,578,585.96
Total Revenue		**59,511,173.86**	**58,181,578.90**
Expenses:			
Purchases of trading stock		20,743,166.03	26,151,010.86
Changes in inventories of trading stock		5,418,528.93	(1,223,881.00)
Employee benefits	15	18,991,602.96	12,976,966.15
Depreciation & Amortisation	8	627,716.94	783,646.54
Other expenses	16	11,489,353.48	19,224,726.51
Total expenses		**57,270,368.34**	**57,912,469.06**
Profit before tax		**2,240,805.52**	**269,109.84**
Profit before tax			**269,109.83**
Tax expense:			
Current tax			
Profit after Tax		2,240,805.52	269,109.84
Profit for the Year		**2,240,805.52**	**269,109.84**
See accompanying notes forming part of Balancesheet			

Ensure Services Bharain SPC
Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**2,240,805.52**		**269,109.84**	
Adjustments for:				
- Depreciation	627,716.94		783,646.54	
Operating Profit before working capital changes	**2,868,522.46**		**1,052,756.38**	
(Increase)/ Decrease in Trade receivables	1,133,274.15		3,156,260.52	
(Increase)/Decrease in Loans & advances and Other current assets	(19,095,099.10)		(13,985,916.87)	
Increase in Inventories	5,581,004.83		(380,758.62)	
Increase in Trade Payables, Other Current Liabilities & Provisions	6,859,870.45		8,878,977.66	
Cash generated from operations	**(2,652,427.21)**		**(1,278,680.94)**	
Net Cash (used in) / generated from operating activities		**(2,652,427.21)**		**(1,278,680.94)**
Cash flow from investing activities:				
Purchase of fixed assets	(96,438.41)		(72,995.43)	
Net Cash used in investing activities		**(96,438.41)**		**(72,995.43)**
Cash flow from financing activities:				
Net Cash generated from financing activities		**-**		
Net (decrease) / increase in cash and cash equivalents		**(2,748,865.63)**		**(1,351,676.37)**
Cash and cash equivalents at the beginning of the year		**1,174,847.42**		**1,443,826.94**
Currency Translation Adjustment		1,690,699.61		1,082,696.85
Cash and cash equivalents at the end of the year		**116,681.40**		**1,174,847.42**

ENSURE SERVICES BAHRAIN S P C

MANAMA - KINGDOM OF BAHRAIN

PERIOD ENDED 31st March, 2016

ENSURE SERVICES BAHRAIN S P C
MANAMA - KINGDOM OF BAHRAIN

DIRECTORS' REPORT

The Directors present their Annual Report and financial statements for the year ended March 31, 2016..

PRINCIPAL ACTIVITY

The Company is engaged in computer repair and maintenance, software design and maintenance of telecommunication systems.

RESULTS FOR THE YEAR

The financial position of the Company at March 31, 2016 and the results for the year are set out in the accompanying financial statements.

AUDITOR

A resolution proposing the reappointment of Deloitte & Touche as the auditor of the company for the year ending March 31, 2016 and authorizing the Directors to fix their remuneration will be put to the Annual General Meeting.

On behalf of the Board

Director
2016

ENSURE SERVICES BAHRAIN S P C
MANAMA - KINGDOM OF BAHRAIN

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER

Ensure Services Bahrain S.P.C..
P. O. Box 11260,
East Riffa,
Kingdom of Bahrain.

Report on the Financial Statements

We have audited the accompanying financial statements of Ensure Services Bahrain S.P.G., ("the Company") which comprise the statement of financial position as at March 31, 2016. and the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards- This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on die auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INNDEPENDENTAUDITOR’S REPORT TO THE SHAREHOLDER (CONTINUED)

Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ensure Services Bahrain S.P.C. as of March 31, 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Report on other Legal and Regulatory requirements

In our opinion, the Company has maintained proper accounting records and the financial statements have been prepared in accordance with those records. We further report that, to the best of our knowledge and believe the financial information provided in the Board of Directors' report is in agreement with the financial statements and based on the information and explanations provided by the management which were required for the purpose of our audit, we are not aware of any violations of the relevant provisions of Bahrain Commercial Companies Law 2001 and the Company's Memorandum and Articles of Association having occurred during the year ended March 31, 2015 that might have had a material effect on the business of the Company or on its financial position.

Manama - Kingdom of Bahrain,
2016

Deloitte & Touche

ENSURE SERVICES BAHRAIN S.P.C.
MANAMA - KINGDOM OF BAHRAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1 STATUS AND ACTIVITIES:

Ensure Services Bahrain S.F.C. ("the Company") was registered in the Kingdom of Bahrain as a single person company under Commercial Registration no. 64579-1 on February 12, 2007.

The principal activity of the Company is computer repair and maintenance, software design development and maintenance, and maintenance of telecommunication systems.

The entire share capital of the Company is held by Ensure Services Gulf F.Z.E. ("the Parent Company"). The management considers Ensure Services India Limited as its ultimate parent ("the Ultimate Holding Company").

2. SIGNIFICANT ACCOUNTING POLICIES:

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and the applicable requirements of the Bahrain Commercial Companies Law.

Basis of Preparation

The financial statements have been prepared on the accrual method of accounting and historical cost convention. These financial statements are presented in Bahrain Dinars (BD), being the functional currency of the company.

The significant accounting policies adopted are set out below:

(a) Plant and Equipment :

Plant and equipment are stated at cost less accumulated depreciation and any identified accumulated impairment loss. Depreciation is charged so as to write off the cost over their estimated useful lives, using the straight-line method.

The estimated useful lives of the property, plant and equipment for the calculation of depreciation are 5 years.

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the profit or loss.

(b) Inventories :

Inventories are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items in accordance with the Company Policy. Cost is based on the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

2. SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

(c) Impairment of Tangible Assets:

At each reporting date, the management reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any.).

Recoverable amount is the higher of fair value less costs to sell and value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(d) Provisions :

A provision is recognised when, and only when, the Company has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(e) Equity-settled employee benefits reserve :

Share Purchase options granted by the Ultimate Holding Company to employees under the Group's Employee Stock Option Plan are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments is expensed over the vesting period based on the management's estimate of equity instruments that will eventually vest. At each reporting date, management revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the equity settled employee benefits reserve.

2. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

(e) Equity-settled employee benefits reserve (Continued)

The policy described above is applied to all equity settled share-based payments that were granted after February 29, 2008 by the Board of Directors of the Ultimate Holding Company (and implemented by the Parent Company and its subsidiaries in April 2008).

(f) Provision for Employees' End-of-Service Benefits:

The Company provides end-of-service benefits to all its employees in accordance with the Bahrain Labour Law. The entitlement to these benefits is based upon the employee's final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of the employment.

For Bahraini employees, the Company makes contributions to the General Organization for Social Insurance calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

(g) Revenue Recognition:

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue from sale of goods is recognised when the goods are delivered and the title has passed, net of discounts and returns.

Service income represents income generated from providing hardware support and maintenance services and is recognised when the service is rendered.

(h) Foreign Currencies:

Foreign currency transactions are recognised in Bahraini Dinars using exchange rates prevailing at the dates of the transactions. At the end of each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on the settlement of transactions and on the retranslation of monetary items, are included in profit or loss for the year.

2. SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

(i) Financial Assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity', 'available-for-sale' (AFS) financial assets and 'receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. At present the financial assets of the Company consist of receivables comprising cash and bank balances, and other receivables and due from related parties.

Accounts Receivable

Accounts receivable are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method less allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and bank balances which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired. Where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset; the estimated future cash flows of the asset have been affected.

For financial assets. Objective evidence of impairment could include: significant financial difficulty of the counterparty: or it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as accounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss 9ecognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable where the carrying amount is reduced through the use of an allowance account. When an account receivable is uncollectible, it is written off against the allowance account. Changes in the carrying amount of the allowance account are 9ecognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was 9ecognized, the previously 9ecognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

(j) Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceedsreceived.

The difference between the carrying amount of the financial asset derecognised and the sum of the consideration received and receivable is recognised in profit or loss (k). Financial Liabilities

Financial liabilities are recognised in the Company’s financial statements when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period to the net carrying amount on initial recognition.

Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the sum of the consideration paid and payable is recognised in profit or loss.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements. estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

In the process of applying the entity's accounting policies, the management has made judgements that have significant effect on the amounts recognized in the financial statements.

Warranties

The Company's Original Equipment Manufacturers ("OEM") generally warranty the products distributed by the Company. The Company generally does not independently warrant the products it distributes and management does not consider that any provision for warranties or claims are required since the warranty costs are borne by the

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY: CONTINUED

Revenue recognition

Management has considered the detailed criteria for the recognition of revenue from the sale of goods set out in International Accounting Standard No. 18 Revenue Recognition and in particular whether the Company had transferred the risks and rewards of the ownership of the goods. Based on the acceptance by the customer of the liability for the goods sold, the management is satisfied that the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of plant and equipment

The Company's management determines the useful lives of plant and equipment and the related depreciation charge. The depreciation charge for the year will change significantly if the actual life is different from the estimated useful life of the asset.

The review carried out by the management in the current year did not indicate any necessity for changes in the useful lives of the plant and equipment.

Impairment provision for receivables

The management tests, on a monthly basis, whether any receivables have suffered impairment in accordance with accounting policies stated in notes.The recoverable amount of the receivable is determined based on estimated collectibilitv.

Provision for inventory

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product group level for estimated excess, obsolescence, or impaired balances. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and quality issues. Revisions to these adjustments would be required if these factors differ from the estimates.

Impairment of tangible assets

The Company's management tests annually whether tangible assets have suffered impairment. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

Equity-settled employee benefits reserve

In determining the fair value of share-based payments and the related charge to the profit or loss, certain assumptions have to be made about future events and market conditions. In particular, judgements were made about the likely number of options that will vest, and the fair value of each option granted. The fair value was determined using a valuation model which is dependent on further estimates, including the Ensure Services India Limited future dividend policy. Risk-free interest rate and the timing with which options will be exercised and the future validity in the price of the options.

4. Share Capital:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued ,Subscribed and paid up capital	87,86,250.00	8,288,750.00

5. Reserves and surplus:

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	133,30,249.50	13,088,066.87
Add: Current year profit	22,40,805.52	269,109.84
Less: Transferred to:		
Transfer to Statutory Reserves	-	(26,927.20)
Closing Balance	**155,71,055.02**	**13,330,249.50**
(b) Statutory Reserves		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	20,79,647.38	1,970,142.61
Transfer from Statement of Profit and Loss	-	26,927.20
CTA	1,24,822.75	82,577.56
Closing balance	**22,04,470.13**	**2,079,647.38**

(c) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	40,10,312.82	3,322,095.85
Movement during the year	10,70,185.61	688,216.97
Closing balance	**50,80,498.43**	**4,010,312.82**
(d) EmployeeSettled employee benefits reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	7,11,837.85	683,398.69
CTA	42,725.30	28,439.16
Closing balance	**7,54,563.15**	**711,837.85**
TOTAL	**236,10,586.73**	**20,132,047.55**

STATUTORY RESERVE:

As required by the Bahrain Commercial Companies Law and the Company's Articles of Association,10% of the net income for the year is required to be transferred to a statutory reserve until the reserve equals 50% of the issued share capital. The reserve is not available for distribution except in the circumstances stipulated in the Bahrain Commercial Companies Law.

EQUITY-SETTLED EMPLOYEE BENEFITS RESERVE:

The Ultimate Holding Company, Ensure Services India Limited has granted options under the Employees' Stock Option Plan 2008. Under the terms of this plan, the ultimate parent company has granted options to employees of the Ensure Services Group to purchase equity shares of the ultimate parent company at an exercise price of Indian Rupee (INR) 348.05. These options vest over a period of 36 months from the date of arrant and are to be exercised within a maximum period of 5 years from the date of vesting. These options were subsequently repriced from INR 348.05 to INR 130 on January 28, 2009.

Options are granted at the discretion of the management of the Ultimate Holding Company. The options vest over the three year period in the following manner: 50% of options at the end of year. 1.25% of options at the end of year 2 and 25% options at the end of year 3 from the date of grant.

The fair values of options granted, being BD 4,294, is recorded as an expense by the Company over the relevant vesting or service periods, adjusted to reflect actual and expected levels of vesting.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions (based on year of grant and the year of re-pricing.

6. **Long term Provisions:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Provision For Gratuity	15,81,876.45	1,266,189.45

7. Trade Payables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trade Payables	55,82,607.53	1,688,915.70
(b) Expense Payable	23,06,566.35	6,205,787.13
(c)Due to related parties	544,35,914.78	47,696,948.78
(d) Other Payables	12,54,149.33	1,443,402.93
Total	**635,79,237.98**	**57,035,054.53**

****Due to related parties**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Cadenworth Dell	509,19,833.25	464,83,144.23
Redington Gulf FZE	34,70,393.03	11,70,703.05
Ensure KSA	45,688.50	43,101.50

8. Fixed Assets

Amount in ₹

Particulars	**Furniture & Fixtures (Including lease hold equipments)**	**Office equipments**	**Computers**	**Motor Vehicles**	**Total**
Cost					
As at 01.04.15	**6,212,086.58**	**3,219,350.50**	**2,200,663.13**	**-**	**11,632,100.20**
Additions	-	48,739.56	47,698.86	-	96,438.41
Translation adjustments	3,72,856.35	1,93,868.17	1,32,711.77	-	6,99,436.29
As at 31.03.16	**65,84,942.93**	**34,61,958.23**	**23,81,073.75**	-	**124,27,974.90**

Accumulated Depreciation					
As at 01.04.15	**59,65,744.93**	**27,20,036.20**	**20,88,267.68**	**-**	**107,74,048.80**
Additions	1,49,340.78	4,08,128.76	70,247.41	-	6,27,716.94
Translation adjustments	3,60,029.09	1,68,611.77	1,26,261.37	-	6,54,902.23
As at 31.03.16	**64,75,114.80**	**32,96,776.73**	**22,84,776.45**	**-**	**120,56,667.98**
Carrying Amount					
As at 01.04.15	**246,341.65**	**499,314.30**	**112,395.45**	**-**	**858,051.40**
As at 31.03.16	**1,09,828.13**	**1,65,181.50**	**96,297.30**	**-**	**3,71,306.93**

9. Inventories:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Trading Stocks	36,38,737.58	9,219,742.40

10. Trade Receivables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured, considered good	11,070.68	1,144,344.83

11. Cash and Cash Equivalents:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	14,058.00	11,74,847.43
(b) Balances with banks	1,02,623.40	-

12. Short-Term Loans and advances:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a)Loans and advances to related parties	815,86,481.63	41,462,979.90
(b) Security deposits	1,15,978.50	--
(c) Prepaid expenses	17,221.05	1,113,676.45
(d) Advances to suppliers	117,00,473.40	31,748,399.13
Total	**934,20,154.58**	**74,325,055.48**

***Details of amount due from related parties**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Ensure Gulf FZE	815,86,481.63	41,462,979.90

13. Revenue from Operations:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Sales		36,602,992.95

14. Other Income:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Other non-operating income	335,62,996.32	21,578,585.96

15. Employee benefits:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Salaries and Bonus	189,91,602.96	12,976,966.15

16. Other Expense:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	32,36,410.73	-
Repairs and Maintenance	4,10,730.51	-
Utilities	5,79,671.19	-
Insurance	8,01,861.13	-
Communication	7,88,158.55	-
Printing and Stationery	1,22,455.97	-
Advertisement	1,37,893.06	-
Travel	14,77,450.38	-
Professional Charges	11,34,365.52	-
Auditors Fess	8,71,588.18	-
Exchange Gain/(Loss) Net	17,33,116.24	-
Bank Charges	15,437.08	-
Miscellaneous Expenses	1,80,214.95	192,24,726.51
Total	**114,89,353.48**	**192,24,726.51**

16. FINANCIAL INSTRUMENTS:

Financial instruments consist of financial assets and financial liabilities.

Financial assets of the Company include trade and other receivables, due from related parties and cash and bank balances.

Financial liabilities of the Company include trade and other payables, accrued expenses and due to related parties.

a)Categories of financial instruments

	2016 INR	2015 INR
Financial assets:		
Receivables at amortised cost (Including cash and bank balances)	935, 30,685.60	53,975,345.35
Financial liabilities:		
At amortised cost	635, 79,237.98	57,035,054.5

(a) Financial risk management objectives

The management manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (comprising equity price risk, foreign currency risk and interest rate risk), credit risk, and liquidity risk.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices.

(b) (i) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in equity prices.
The Company is not exposed to equity price risk as it does not hold equity instruments.

(c) (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.
The Company is not exposed to significant foreign currency risk as it does not transact in currencies other than United States Dollars and Bahraini Dinars. Since the

Bahraini Dinar is effectively pegged to the United States Dollar, balances in United States Dollars are not considered to represent significant currency risk.

(c) (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.
The Company is not exposed to interest rate risk since it does not hold any interest bearing financial assets or liabilities.

(d) Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit exposure is controlled by establishing a settlement period for the individual trade receivables, in addition to the standard process of receivables review.
Concentration of credit risk is given in Notes 6 and 7. The credit risk on liquid funds is limited because the counterparty is a bank with high credit rating assigned by international credit rating agencies.
The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses if any, represents the Company's maximum exposure to credit risk.

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting commitments associated with financial liabilities.

Ultimate responsibility for liquidity risk management rests with the Directors. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest (if applicable) and principal cash flows.

(f) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying values and the fair value estimates.

The fair values of financial assets and financial liabilities are determined by using prices from observable current market transactions.

The Directors consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values as at the reporting dates.

17. Capital Management:

The Management's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns from the shareholder and benefits for other stakeholders. The Company's overall strategy remains unchanged from previous year.

The capital structure of the Company consists of equity consisting of share capital, retained earnings and equity- settled employee benefits reserve. The Company is free of external debt at the reporting dates.

REDINGTON QATAR DISTRIBUTION COMPANY WLL
Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	**Note No.**	**As at 31.03.2016**	**As at 31.03.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	5	3,639,000.00	3,433,000.00
	(b) Reserves and surplus	6	21,149,576.88	13,311,732.14
			24,788,576.88	**16,744,732.14**
2	**Non-current liabilities**			
	Long-term provisions	7	6,809,096.66	3,521,296.76
			6,809,096.66	**3,521,296.76**
3	**Current liabilities**			
	Other current liabilities	8	925,971,570.30	3,801,967,614.09
			925,971,570.30	**3,801,967,614.09**
	TOTAL		**957,569,243.83**	**3,822,233,642.99**
B	**ASSETS**			
1	**Non-current assets**			
	Fixed assets			
	Fixed assets-Tangible assets	13	9,857,796.27	10,984,123.81
			9,857,796.27	**10,984,123.81**
2	**Current assets**			
	(a) Current investments			-
	(a) Inventories	9	298,423,327.44	244,646,273.80
	(b)Trade receivables	10	600,757,779.30	500,476,780.97
	(c) Cash and cash equivalents	11	39,655,984.31	62,501,712.95
	(d) Short-term loans and advances	12	8,874,356.52	3,003,624,751.47
			947,711,447.57	**3,811,249,519.18**
	TOTAL		**957,569,243.84**	**3,822,233,642.99**
	See accompanying notes forming part of Balance sheet			

REDINGTON QATAR DISTRIBUTION COMPANY WLL

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note No	31stMarch,2016	31st March,2015
		2015-16	2014-15
Income			
Revenue from operations	14	4,547,074,491.15	3,175,465,679.81
Other income	15	-	338,595.73
Total Revenue		**4,547,074,491.15**	**3,175,804,275.54**
Expenses:			
Purchases of trading stock		4,392,786,356.14	3,220,498,707.29
Changes in inventories of trading stock		(36,883,619.89)	(154,202,404.13)
Employee benefits	16	70,251,965.05	55,204,254.68
Depreciation & Amortisation	13	3,773,400.50	631,390.34
Other expenses	17	109,656,501.75	47,927,083.38
Total expenses		**4,539,584,603.56**	**3,170,059,031.57**
Profit before tax		**7,489,887.60**	**5,745,243.96**
Exceptional items		-	-
Profit before extraordinary items and tax		**7,489,887.60**	**5,745,243.96**
Extraordinary Items		-	-
Profit before tax		**7,489,887.60**	**5,745,243.96**
Tax expense:			
Current tax			
Prior year tax provisions written back			
Tax expense:		541,961.51	(51,310.02)
Profit after Tax		6,947,926.09	5,796,553.98
Profit for the Year		**6,947,926.09**	**5,796,553.98**
See accompanying notes forming part of this statement			

REDINGTON QATAR DISTRIBUTION COMPANY WLL
Cash Flow Statement for the year ended March 31, 2015

Amount in ₹

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
Cash flow from operating activities:				
Net Profit before taxation	**7,489,887.60**		**5,745,243.96**	
Adjustments for:				
- Depreciation	3,773,400.50		631,390.34	
- Finance cost				
- Interest Income				
- Provision for Doubtful debts				
- Bad debts written off				
- Provision for compensated absences				
- Provision for gratuity				
- Rent Equalisation Reserve				
- Provision for standard assets				
- Unrealised Foreign Exchange Variation (Net)				
- (Profit) / Loss on sale of fixed assets				
Operating Profit before working capital changes	**11,263,288.10**		**6,376,634.30**	
Increasein Trade receivables	(100,280,998.33)		(263,480,051.00)	
Increase in Loans & advances and Other current assets	2,994,750,394.95		(584,223,781.33)	
(Increase) / Decrease in Inventories	(53,777,053.65)		(154,202,404.13)	
Increase in Trade Payables, Other Current Liabilities & Provisions	(2,872,708,243.90)		1,048,794,502.24	
Cash generated from operations	**(20,752,612.82)**		**53,264,900.09**	
Direct taxes paid	(541,961.51)		51,310.02	
Net Cash (used in) / generated from operating activities		**(21,294,574.33)**		**53,316,210.11**
Cash flow from investing activities:				
Purchase of fixed assets	(2,340,274.46)		(10,192,470.45)	
Proceeds from sale of fixed assets	329,196.23			
Interest received				
Loan settled by ESPS Trust				
Deposits placed				
Deposits settled				
Consideration for acquisition of Minority interest in a subsidiary				
Investment in associate				
Investment in step down subsidiaries	-			
Proceeds from redemption of investments				
Net Cash used in investing activities		**(2,011,078.24)**		**(10,192,470.45)**
Cash flow from financing activities:				
Net Cash generated from financing activities		-		
Net (decrease) / increase in cash and cash equivalents		**(23,305,652.57)**		**43,123,739.66**
Cash and cash equivalents at the beginning of the year		**62,501,712.95**		**19,076,267.52**
Currency Translation Adjustment		459,923.92		301,705.77
Cash and cash equivalents at the end of the year		**39,655,984.30**		**62,501,712.95**

REDINGTON QATAR DISTRIBUTION COMPANY W.L.L
DOHA - QATAR

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

INDEPENDENT AUDITOR'S REPORT

The
Partners
Redington Qatar Distribution

Company W.L.L Report on the

Financial Statements

We have audited the accompanying financial statements of Redington Qatar Distribution Company W.L.L., which comprise of the statement of financial position as at March 31, 2016, and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Redington Qatar Distribution Company W.L.L. as of March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting **Standards.**

Report on Other Legal and Regulatory Requirements

We are also of the opinion that proper books of account were maintained by the Company and physical inventory verification has been duly carried out. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the Qatar Commercial Companies Law No. 5 of 2002 and the Company's Articles of Association were committed during the year which would materially affect the Company's activities or its financial position.

For **Deloitte & Touche**

Doha - Qatar **Muhammad**
Bahemia
May,24,2016 **License No 103**

REDINGTON QATAR DISTRIBUTION COMPANY W.L.L.

NOTES TO THE FINANCIAL STATEMENTS for the year ended

March 31, 2016

1. GENERAL INFORMATION

Redington Qatar Distribution Company W.L.L. (the "Company") is incorporated as a limited liability company and operates in the State of Qatar under Commercial Registration No.36693. The address of the Company's registered office is P.O. Box 31379, Doha – Qatar.

The principal activities of the Company are distribution of computers

and office equipments. The ownership of the Company, as per

Commercial Registration is as follows:

Name	Ownership
% Shaikh Jassem Ahmed Khalifa Ahmed Al Thani	51%
Redington Middle East Company	49%

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and revised IFRSs affecting amounts reported in the financial statements
The following are the revised IFRSs that were effective in the current year and have been applied in the preparation of these financial statements:
(i) Revised Standards:
Effective for annual periods beginning on or after July 1, 2014

IAS 19 (Revised)	*Amendments to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.*
Annual improvements to IFRSs 2010-2012 cycle	*Amendments to issue clarifications on IFRSs- IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.*
Annual Improvements 2011-2013 Cycle	*Amendments to issue clarifications on IFRSs- IFRS 1, IFRS 3, IFRS 13 and IAS 40.*

The adoption of these standards and Interpretations had no significant effect on the financial statements of the Company for the year ended March 31, 2016, other than certain presentation and disclosure changes.

2. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

2.2 Standards and Interpretations in issue not yet effective

At the date of authorization of these financial statements, the following applicable Standards and
Interpretations were in issue but not yet effective:

(i) <u>Revised Standards:</u>

Effective for annual periods beginning on or after January 1, 2016

IFRS 10 & IAS 28 (Revised)	*Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture.*
IFRS 11 (Revised)	*Amendments regarding the accounting for acquisitions of an interest in a joint operation.*
IFRS 12 (Revised)	*Amendments regarding the application of the consolidation exception.*
IAS 1 (Revised)	*Amendments resulting from the disclosure initiative.*
IAS 16 (Revised)	*Amendments regarding the clarification of acceptable methods of depreciation and amortization and amendments bringing bearer plants into the scope of IAS 16.*
IAS 27 (Revised)	*Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.*
IAS 38 (Revised)	*Amendments regarding the clarification of acceptable methods of depreciation and amortization.*
IAS 41 (Revised)	*Amendments bringing bearer plants into the scope of IAS 16.*
Annual Improvements 2012-2014 Cycle	*Amendments to issue clarifications and add additional/specific guidance to IFRS 5, IFRS 7, IAS 19 and IAS 34.*

Effective for annual periods beginning on or after January 1, 2018 (or on early application of IFRS 9)

IFRS 7 (Revised)	*Financial Instruments Disclosures - Amendments requiring disclosures about the initial application of IFRS 9.*
IAS 39 (Revised)	*Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception.*

Management anticipates that the adoption of the above Standards and Interpretations (except as described in next paragraph) in future years will have no material impact on the financial statements of the Company in the period of initial application.

Management anticipates that IFRS 15, IFRS 9 and IFRS 16 will be adopted in the Company's financial statements for the annual period beginning from January 1, 2018 and January 1, 2019, as applicable. The application of these standards may have significant impact on amounts reported in the financial statements and will result in more extensive disclosures in the financial statements. However, management has not yet performed a detailed analysis of the impact of the application of these Standards and hence has not yet quantified the extent of the impact

3. SIGNIFICANT ACCOUNTING

POLICIES Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the applicable provisions of Qatar Commercial Companies Law.

Basis of preparation

The financial statements have been prepared under the historical cost basis. The principal accounting policies adopted are set out below:

Foreign currencies

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency) and the results and financial position of the Company are expressed in Qatari Riyals (QR.), which is the functional currency of the Company and the presentation currency for the financial statements.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items are included in the statement of income for the year.

Employees' end of service benefits

Employees' end of service benefits are made in accordance with the Qatar Labor Law, and is based on current remuneration and cumulative years of service at the reporting date.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns and other similar allowances.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Plant and equipment

Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation:

Equipment and computers	5 years
Furniture and fixtures	5 years
Computers	3 years

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of income.

Impairment of tangible assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing valuein use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash – generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises invoice price and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realizable value represents the estimated selling price less all estimated costs incurred in marketing, selling and distribution.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise bank balances maturing within three months that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Accounts receivable

Accounts receivable are stated at original invoice amount, less any impairment for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off and changes in the carrying amount of the allowance account are recognized in the statement of profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit or loss..

Financial liabilities

Trade payables

Liabilities are recognised for amounts to be paid in the future for goods or services received.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY

In the application of the Company's accounting policies, which are described , management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgment in applying accounting policies

In the process of applying the Company's accounting policies, which are described in Note 3 to the financial statements, due to the nature of the Company's operations, management has not made any judgments that have a significant effect on the amounts recognized in the financial statements.

Key sources of estimation uncertainty

The following is the key assumption and other key source of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities:

Impairment of inventory

Inventories are stated at the lower of cost and net realizable value. Adjustments to reduce the cost of inventory to its realizable value are made for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues.

Impairment of financial assets

The Company's management reviews periodically items classified as receivables to assess whether a provision for impairment should be recorded in the statement of income. Management estimates the amount and timing of future cash flows when determining the level of provisions required.

Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty. Management has evaluated that no provision is required against the receivables as they are all fully collectible.

5. Share Capital:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up	36,39,000.00	3,433,000.00

6. Reserves and Surplus:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Profit and Loss Account		
Opening Balance	107,04,684.93	5,487,791.38
Add: Current year profit	69,47,926.09	5,796,553.98
Less: Transferred to:		
Transfer to Statutory Reserves	(2,56,209.13)	(579,660.44)
Closing Balance	**173,96,401.89**	**10,704,684.93**
(b) Statutory Reserves*		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	14,71,624.11	844,019.64
Transfer from Statement of Profit and Loss	2,56,209.13	579,660.44
CTA	91,666.76	47,944.04
Closing balance	**18,19,500.00**	**1,471,624.11**
Particulars	**31-Mar-16**	**31-Mar-15**
(c) Foreign Currency Translation reserve		
Opening balance	11,35,423.10	760,138.92
Movement during the year	7,98,251.89	375,284.18
Closing balance	**19,33,674.99**	**1,135,423.10**
Total	**211,49,576.88**	**13,311,732.14**

***STATUTORY RESERVE**

In accordance with Qatar Commercial Company's Law No.5 of 2002, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except in circumstances as specified in the Law.

7. Long term Provisions

Amount in `

Particulars	31-Mar-16	31-Mar-15
Provision For Gratuity	68,09,096.66	3,521,296.76

8. Other Current Liabilities:

Amount in `

Particulars	31-Mar-16	31-Mar-15
(i) Statutory remittances	5,49,070.52	-
(ii) Advances from customers	421,85,016.53	40,579,158.56
(iii) Others due to related parties*	8832,37,483.26	3,761,388,455.54
Total	**9259,71,570.30**	**3,801,967,614.10**

* Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

Due to related Parties

Amount in `

Particulars	31-Mar-16	31-Mar-15
Redington Qatar Company W.L.L		-
Redington Gulf FZE	8832,37,483.26	3,761,388,456
Redington Kuwait Services	-	-
Redington Kuwait Distribution Company W.L.L	-	-
Total	**8832,37,483.26**	**3,761,388,456**

9. Inventories:

Amount in `

Particulars	31-Mar-16	31-Mar-15
(a) Trading Stocks	2984,23,327.44	244,646,273.80
Total	**2984,23,327.44**	**244,646,273.80**

10. Trade Receivables:

Amount in `

Particulars	31-Mar-16	31-Mar-15
Unsecured, considered good	6007,57,779.30	500,476,780.97

11. Cash and Cash Equivalents:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	3,90,337.34	545,366.38
(b) Balances with banks-Current accoutns	392,65,646.97	61,956,346.57
Total	**396,55,984.31**	**62,501,712.95**

12. Short Term Loans and advances:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Loans and advances to related parties*	2,25,618.00	2,997,053,629.00
(b) Advances to suppliers	86,48,738.52	6,571,122.47
Total	**88,74,356.52**	**3,003,624,751.47**

*Advances have been granted to the following related parties

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
Redington Qatar Company W.L.L	--	2,963,937,520.64
Redington Middle East L.L.C.	--	33,116,108.36
Total	**--**	**2,997,053,629.00**

13. Fixed Assets

Amount in `

Particulars	**Furniture & Fixtures**	**Special costs**	**Computers**	**Total**
Cost				
As at 01.04.15	**2,207,848.13**	**8,944,818.82**	**2,095,795.01**	**13,248,461.95**
Additions	39,510.73	2,37,926.44	20,62,837.29	23,40,274.46
Disposals	16,32,565.44	31,428.99	-	16,63,994.43
Translation adjustments	1,11,587.37	5,39,449.90	1,52,818.51	8,03,855.78
As at 31.03.16	**7,26,380.79**	**96,90,766.17**	**43,11,450.81**	**147,28,597.77**
Accumulated Depreciation				
As at 01.04.15	**1,582,441.35**	**107,899.19**	**573,997.60**	**2,264,338.14**
Additions	1,52,529.38	17,13,813.87	19,07,057.26	37,73,400.50

Disposals	13,16,641.22	18,156.98	-	13,34,798.20
Translation adjustment	79,685.84	28,716.81	59,458.41	1,67,861.06
As at 31.03.16	**4,98,015.35**	**18,32,272.89**	**25,40,513.27**	**48,70,801.50**
Carrying Amount				
As at 01.04.15	**625,406.78**	**8,836,919.63**	**1,521,797.41**	**10,984,123.81**
As at 31.03.16	**2,28,365.45**	**78,58,493.28**	**17,70,937.55**	**98,57,796.27**

14. Revenue from Operations:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
(i) Sales	45470,74,491.15	3,175,465,679.81
(ii) Supplier Rebates	-	
Total	**45470,74,491.15**	**3,175,465,679.81**

15. Other Income:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
Other non operating income	--	338,595.73

16. Employee Benefits:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
Salaries and Bonus	702,51,965.05	55,204,254.68

17. Other Expenses: **Amount in `**

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	269,39,134.62	186,34,521.90
Freight	29,02,691.75	47,92,876.29
Repairs and Maintenance	6,45,102.48	7,13,855.87
Communication	56,43,533.19	14,47,479.95
Advertisement	328,59,871.50	95,13,565.86
Travel	66,60,395.72	51,97,914.72
Professional Charges	178,71,314.15	18,04,869.75
Bad Debts	3,21,796.94	(150,12,521.74)
Exchange Gain/(Loss) Net	-	90,46,669.89
Loss on sale of asset	3,29,196.23	-
Miscellaneous Expenses	154,83,465.17	117,87,850.89
Total	**1096,56,501.75**	**479,27,083.38**

18. FINANCIAL INSTRUMENTS

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. Financial assets comprise cash and bank balances, accounts receivables and due from related parties. Financial liabilities comprise other payables and due to related parties.

Fair value of financial instruments

The fair value of financial instruments is not materially different from their carrying values.

19. FINANCIAL RISK MANAGEMENT

Financial risk factors

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company's exposure to counterparties is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company is not significantly exposed to interest rate risk.

Liquidity risk

Liquidity risk represents the risk that the Company will not be able to settle its financial obligations due to cash and liquidity problems. Liquidity risk arises from the inability to collect payments from customers as and when they become due. Management confirms that cash and liquidity sources are sufficiently available to cover future obligations of the Company.

Foreign currency risk

The Company undertakes certain transactions denominated in foreign currencies which gave rise to exposures to exchange rate fluctuations. The risk on such transactions is limited since these transactions are denominated in Qatari Riyal or currencies which are pegged to it.

Capital risk

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders.

The capital structure of the Company consists of equity, comprising issued capital, reserves and retained earnings.

20. COMPARATIVE FIGURES

Certain prior year numbers have been reclassified to conform to the current year's presentation.

21. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the management and authorized for issue on May,24, 2016

n (India) Investments Limited
.dated Balance Sheet as at 31st March, 2016

		Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
				(Rs. In Lakhs)	
A		**EQUITY AND LIABILITIES**			
	1	**Shareholders' funds**			
		(a) Share capital	2	21.00	21.00
		(b) Reserves and surplus	3	-1,520.28	-892.42
		(c) Money received against share warrants		-	-
		TOTAL (A)		-1,499.28	-871.42
	2	Share application money pending allotment		-	-
	3	**Non-current liabilities**			
		(a) Long-term borrowings	4	-	
		(b) Deferred tax liabilities (net)		-	-
		(c) Other long-term liabilities		-	-
		(d) Long-term provisions	5	18.09	13.73
		TOTAL (B)		18.09	13.73
	4	**Current liabilities**			
		(a) Short-term borrowings	6	2,501.76	2,041.27
		(b) Trade payables	7	1,343.57	1,246.88
		(c) Other current liabilities	8	81.71	49.97
		(d) Short-term provisions	9	0.96	0.47
		TOTAL (C)		3,928.00	3,338.59
		TOTAL (A+B+C)		2,446.80	2,480.90
B		**ASSETS**			
	1	**Non-current assets**			
		(a) Fixed assets			
		(i) Tangible assets	10.a	427.30	607.95
		(ii) Intangible assets	10.b	0.19	0.58
		(iii) Capital work-in-progress		-	-
		(iv) Intangible assets under development		-	-
		(v) Fixed assets held for sale		-	-
		(b) Non-current investments		-	-
		(c) Deferred tax assets (net)		-	-
		(d) Long-term loans and advances	11	0.77	6.21
		(e) Other non-current assets (fixed deposits)	12	4.38	4.38
		TOTAL (D)		432.64	619.12
	2	**Current assets**			
		(a) Current investments		-	-
		(b) Inventories	13	1,553.92	1,347.98
		(c) Trade receivables		67.63	53.93
		(d) Cash and cash equivalents	14	30.41	45.59
		(e) Short-term loans and advances	15	362.20	414.28
		(f) Other current assets		-	-
		TOTAL (E)		2,014.16	1,861.78
		TOTAL (D+E)		2,446.80	2,480.90
		See accompanying notes forming part of the financial statements			

In terms of our report attached.
For A.S.Varadharajan & Co
Chartered Accountants
Firm Registration No. 009840S

A.S.VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

A.S.Varadarajan
Partner
Membership No. 018899

Place : Chennai
Date : 18/05/16

For and on behalf of the Board of Directors

V. Vikram
Director

S. Srinivasan
Director

Place : Chennai
Date : 18/05/16

Redington (India) Investments Limited
Consolidated Statement of Profit and Loss For the year ended 31st March, 2016

	Particulars	Note No.	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
			(Rs. In Lakhs)	
A	CONTINUING OPERATIONS			
1	Revenue from operations (net)	16	11,188.87	12,749.66
2	Other income	17	38.67	32.51
3	Total revenue (1+2)		11,227.54	12,782.17
4	Expenses			
	(a) Purchases of stock-in-trade	18.a	10,227.20	11,568.83
	(b) Changes in inventories of stock-in-trade	18.b	-90.94	-93.38
	(b) Employee benefits expense	19	356.47	373.80
	(c) Finance costs	20	247.81	235.44
	(d) Depreciation and amortisation expense	10	227.45	218.79
	(e) Other expenses	21	887.41	846.76
	Total expenses		11,855.41	13,150.25
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		-627.86	-368.08
6	Exceptional items		-	
7	Profit / (Loss) before extraordinary items and tax (5 ± 6)		-627.86	-368.08
8	Extraordinary items		-	
9	Profit / (Loss) before tax (7 ± 8)		-627.86	-368.08
10	Tax expense:			
	(a) Current tax expense for current year		-	0.11
	(b) Deferred tax asset/(liability)		-	-
	Total tax expense		-	0.11
11	Profit / (Loss) from continuing operations (9 ±10)		-627.86	-368.19
B	DISCONTINUING OPERATIONS			
12.i	Profit / (Loss) from discontinuing operations (before tax)		-	-
12.ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12.iii	Add / (Less): Tax expense of discontinuing operations		-	-
13	Profit / (Loss) from discontinuing operations (12.i ± 12.ii ± 12.iii)		-	-
C	TOTAL OPERATIONS			
14	Profit / (Loss) for the year (11 ± 13)		-627.86	-368.19
15.i	Earnings per share (of Rs 10/- each):			
	(a) Basic & Diluted			
	(i) Continuing operations		-298.98	-175.33
15.ii	Earnings per share (excluding extraordinary items) (of Rs.10/- each):			
	(a) Basic & Diluted			
	(i) Continuing operations		-298.98	-175.33
	See accompanying notes forming part of the financial statements			

In terms of our report attached.
For A.S.Varadharajan & Co
Chartered Accountants
Firm Registration No. 009840S

A.S.VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

A.S.Varadarajan
Partner
Membership No. 018899

Place : Chennai
Date : 18/05/16

For and on behalf of the Board of Directors

V. Vikram
Director

S. Srinivasan
Director

Place : Chennai
Date : 18/05/16

Redington (India) Investments Limited
Consolidated Cash Flow Statement for the year ended 31 March, 2016

Particulars	For the year ended 31 March, 2016 (Rs. In Lakhs)		For the year ended 31 March, 2015 (Rs. In Lakhs)	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		-627.86		-368.08
Adjustments for:				
Depreciation and amortisation		227.45		218.79
Finance costs		247.81		235.44
Interest income		-0.44		-0.18
Operating profit / (loss) before working capital changes		-153.04		85.97
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	-205.96		-80.61	
Trade Receivables	-13.70		5.41	
Loans and advances	57.52		-32.06	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	96.69		-49.67	
Other current liabilities	31.74		-50.45	
Short-term provisions	0.49		0.21	
Long-term provisions	4.36		5.72	
		-28.87		-201.45
Cash generated from operations		-181.91		-115.48
Net income tax (paid) / refunds		-		0.79
Net cash flow from / (used in) operating activities (A)		-181.91		-114.69
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	-46.39		0.95	
Interest received	0.44		0.18	
Interest reinvested			-0.18	
Net cash flow from / (used in) investing activities (B)		-45.95		0.95
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		5.00	
Proceeds from other short-term borrowings	460.49		786.02	
Proceeds from other Long-term borrowings	-		-500.00	
Finance cost	-247.81		-235.44	
Net cash flow from / (used in) financing activities (C)		212.67		55.58
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		-15.19		-58.16
Cash and cash equivalents at the beginning of the year		45.59		103.75
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		
Cash and cash equivalents at the end of the year		30.40		45.59
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		30.41		45.59
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		-		-
Net Cash and cash equivalents (as defined in AS 3 *Cash Flow Statements*) included in Note 19		30.41		45.59
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 *Cash Flow Statements*) (Refer Note (ii) to Note 16 Current investments)		-		-
Cash and cash equivalents at the end of the year *		30.41		45.59
* Comprises:				
(a) Cash on hand		11.29		9.42
(b) Balances with banks				
(i) In current accounts		9.91		13.92
(ii) Others (Credit Card Collection Receivable)		9.21		22.25
		30.41		45.59
See accompanying notes forming part of the financial statements				

In terms of our report attached.
For A.S.Varadharajan & Co
Chartered Accountants
Firm Registration No.009840S

A.S.VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

A.S. Varadarajan
Partner
Membership No.018899

Place : Chennai
Date : 18/05/16

For and on behalf of the Board of Directors

V. Vikram
Director

S. Srinivasan
Director

Place : Chennai
Date : 18/05/16

Redington (India) Investments Limited
Notes forming part of the Consolidated financial statements for the period ended 31st March, 2016

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	(Rs. In Lakhs)	Number of shares	(Rs. In Lakhs)
Note 2 Share Capital				
(a) Authorised Equity shares of Rs.10 each with voting rights	2,10,000.00	21.00	2,10,000.00	21.00
(b) Issued , Subscribed and fully paid up Equity shares of Rs.10 each with voting rights	2,10,000.00	21.00	2,10,000.00	21.00
Total	2,10,000.00	21.00	2,10,000.00	21.00
(c) Reconciliation of the shares outstanding	No. of shares	Amount in Rs	No. of shares	Amount in Rs.
At the beginning of the period	2,10,000.00	21.00	1,60,000.00	16.00
Issued during the period - Fresh Issue	-	-	50,000.00	5.00
Outstanding at the end of the period	2,10,000.00	21.00	2,10,000.00	21.00
(d) Details of shares held by each shareholder holding more than 5% shares:				
V. Vikram	1,10,000.00	11.00	1,10,000.00	11.00
Redington (India) Limited	1,00,000.00	10.00	1,00,000.00	10.00

Particulars	As at 31st March, 2016 (Rs. In Lakhs)	As at 31st March, 2015 (Rs. In Lakhs)
Note 3 Reserves and surplus		
Opening balance	-892.42	-524.27
Add: Profit / (Loss) for the year	-627.86	-368.19
Total	-1,520.28	-892.42
Note 4 Long Term Borrowings		
(a) Loans and advances from related parties		
Secured		
Unsecured	-	
Total	-	-
Note 5 Long-term provisions		
Provision for tax	-	
Provision for employee benefits:		
(i) Provision for gratuity	10.32	7.85
(ii) Provision for leave encashment	7.77	5.88
Deffered Rent	-	
Total	18.09	13.73

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

Redington (India) Investments Limited

Notes forming part of the Consolidated financial statements for the period ended 31st March, 2016

Note 6 Short-term borrowings		
(a) Loans repayable on demand		
From HDFC Bank -CC A/c		
Secured	61.76	101.27
Unsecured	-	-
(b) Loans and advances from related parties		
Secured	-	1,940.00
Unsecured	2,440.00	
(c) Deposits		
Secured	-	-
Unsecured	-	-
Total	2,501.76	2,041.27
Note 7 Trade Payables		
Trade payables:		
Acceptances		-
Other than Acceptances	1,343.57	1,246.88
Total	1,343.57	1,246.88
Note 8 Other current liabilities		
Statutory Payables	9.63	10.24
Other Payables	72.08	39.73
Total	81.71	49.97
Note 9 Short-term provisions		
Provision for employee benefits:		
(i) Provision for leave encashment	0.93	0.44
(ii) Provision for gratuity	0.03	0.03
Total	0.96	0.47
Note 11 Long Term Loans & Advances		
(i) Advance income tax (net of Provisions)		
unsecured, considered good	0.77	6.21
Total	0.77	6.21
Note 12 Other non-current assets		
Fixed Deposit with HDFC Bank	-	
Deposit For Vat purposes	4.00	4.00
Interest Accrued but not due on Fixed Deposit	0.38	0.38
Advance Income tax	-	
Total	4.38	4.38

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

M/s. Currents Technology Retail (India) Limited

Note- 10 a: Tangible Assets

										((Rs. In Lakhs)	
	Rate of	Gross Block				Depreciation				Net Block	
Description	Depreciation	As at 01.04.15	Additions	Deletions	As at 31.03.16	As at 01.04.15	For the period	Deletions	As at 31.03.16	As at 31.03.16	As at 31.03.15
Interior	20%	896.28	41.29	22.19	915.38	392.58	183.89	2.27	574.20	341.18	503.71
Previous Year		*908.56*	*22.89*	*35.16*	*896.28*	*231.64*	*167.80*	*6.86*	*392.58*	*503.71*	*676.92*
Furnitures & Fixtures	25%	6.47	-	-	6.47	3.51	1.34	-	4.84	1.63	2.96
Previous Year		*6.47*	-	-	*6.47*	*2.05*	*1.45*	-	*3.51*	*2.96*	*4.41*
Electrical fittings	20%	94.35	-	-	94.35	43.50	18.68	-	62.18	32.17	50.85
Previous Year		*94.35*	-	-	*94.35*	*24.82*	*18.68*	-	*43.50*	*50.85*	*69.53*
Office Equipments	20%	69.82	23.23	3.41	89.64	30.78	15.82	1.54	45.06	44.57	39.02
Previous Year		*69.62*	*0.18*	-	*69.80*	*17.00*	*13.78*	-	*30.78*	*39.02*	*52.62*
Computers	33%	32.26	3.43	-	35.68	20.84	7.09	-	27.93	7.75	11.41
Previous Year		*27.97*	*4.28*	-	*32.26*	*11.35*	*9.49*	-	*20.84*	*11.41*	*16.62*
Total (A)											
Current Year		1,099.18	67.94	25.60	1,141.52	491.21	226.82	3.81	714.22	427.30	607.95
Previous Year		*1,106.97*	*27.35*	*35.16*	*1,099.16*	*286.86*	*211.21*	*6.86*	*491.21*	*607.95*	*820.11*

Note - 10 b: Intangible Assets

										(Amount in Rs.)	
	Rate of	Gross Block				Depreciation				Net Block	
Description	Depreciation	As at 01.04.15	Additions	Deletions	As at 31.03.16	As at 01.04.15	For the period	Deletions	As at 31.03.16	As at 31.03.16	As at 31.03.15
Software	33%	22.97	0.23	-	23.20	22.38	0.63	-	23.01	0.19	0.58
Previous Year		*22.97*	-	-	*22.97*	*14.80*	*7.58*	-	*22.38*	*0.58*	*8.16*
Other Intangible Assets *	50%	40.29	-	-	40.29	40.29	-	-	40.29	-	0.00
Previous Year		*40.29*	-	-	*40.29*	*40.29*	-	-	*40.29*	*0.00*	*0.00*
Total (B)											
Current Year		63.26	0.23	-	63.49	62.67	0.63	-	63.30	0.19	0.58
Previous Year		*63.26*	-	-	*63.26*	*55.09*	*7.58*	-	*62.67*	*0.58*	*8.16*
Grand Total (A + B)		1,162.44	68.17	25.60	1,205.01	553.88	227.45	3.81	777.52	427.49	608.53

* Sales Promotion & Advertising Cost with enduring benefit. Amortised over a period of 24 months.

A.S. VARADHARAJAN & CO. * CHENNAI 600 028 * CHARTERED ACCOUNTANTS

Redington (India) Investments Limited

Notes forming part of the Consolidated financial statements for the period ended 31st March, 2016

Note 13 Inventories		
(d) Stock-in-trade (acquired for trading)	1,438.91	1,347.98
Stock in Transit	115.01	-
Total	1,553.92	1,347.98
Note 14 Cash and cash equivalents		
(a) Cash on hand	11.29	9.42
(b) Balances with banks		
(i) In current accounts	9.91	13.92
(ii) In Fixed Deposit	-	-
(c)Credit Card Collection Receivable	9.21	22.25
Total	30.41	45.59
Note 15 Short-term loans and advances		
(a) Security deposits		
Secured, considered good		
Unsecured, considered good	228.31	222.03
(b) Prepaid expenses - Unsecured, considered good	14.09	13.33
(b) Balances with government authorities		
Unsecured, considered good		
(i) VAT credit receivable	74.87	76.50
(ii) Others	4.35	4.68
(c) Advance to suppliers	-	-
(d) Others (specify nature)		
Secured, considered good	-	
Unsecured, considered good	40.58	97.75
Total	362.20	414.28
Note 16 Revenue from operations		
Sale of products	10,697.56	12,001.97
Other operating revenues		
Suppliers Discounts and Rebates	491.31	747.69
Total	11,188.87	12,749.66
Note 17 Other income		
Service Income	38.21	32.21
Interest Income	0.44	0.18
Other Income	0.02	0.11
Profit on Sale of Assets	-	-
Total	38.67	32.51

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

Redington (India) Investments Limited
Notes forming part of the Consolidated financial statements for the period ended 31st March, 2016

Note 18.a Purchase of traded goods		
Traded goods	10,227.20	11,568.83
Total	10,227.20	11,568.83
Note 18.b Changes in inventories of stock-in-trade		
Inventories at the end of the year:		
Finished goods	1,438.92	1,347.98
	1,438.92	1,347.98
Inventories at the beginning of the year:		
Finished goods	1,347.98	1,254.60
	1,347.98	1,254.60
Total	-90.94	-93.38
Note 19 Employee benefits expense		
Salaries and wages	317.58	339.86
Contributions to provident and other funds	24.20	17.35
Gratuity	2.47	3.59
Leave Encashment	3.45	3.88
Staff welfare expenses **	8.77	9.13
Total	356.47	373.80
Note 20 Finance costs		
(a) Interest expense on:		
(i) Borrowings	209.60	209.77
(i) Others	38.21	25.67
Total	247.81	235.44
Note 21 Other expenses		
Auditor's Remunaration		
Statutory	1.55	1.30
Tax Audit	0.34	0.34
Others	0.27	0.24
Internal Audit	-	-
Rent	519.12	519.06
Travelling Expenses	21.43	23.95
Marketing Expenditure	90.07	44.29
Insurance	16.42	9.29
Repairs & Maintenance	54.50	63.02
Rates & Taxes	3.93	4.02
Printing & Stationery	1.70	2.43
Communication	19.36	16.94
Professional Charges	10.33	-
Bank Charges	74.12	11.12
Utilities Cost	30.74	83.83
Security Service Charges	35.78	33.24
ERP Charges	-	27.76
Miscellaneous Expenses	6.95	2.48
Director Sitting fees	0.80	3.47
Total	887.41	846.76

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2016

1. Summary of significant accounting policies

a. Basis of preparation of Financial Statements

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") under the historical cost convention on accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with the previous year. The Financial Statements and documents required to be attached thereto would be governed by the Provision of Schedule-III of the Companies Act, 2013

b. Use of Estimates

The preparation of the financial statements in conformity with the Generally Accepted Accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosures relating to contingent assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates.

c. Fixed assets and depreciation

i. Fixed assets are stated at historical cost less accumulated depreciation.

ii. Individual asset values up to Rs.5000/- acquired during the year is fully depreciated in the year of acquisition.

iii. Depreciation is provided on Straight Line Basis based on estimated economic useful life of the asset as determined by the Management at rates which are higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on additions to fixed assets is provided on pro-rata basis from the month of acquisition.

iv. Expenditure on interiors on premises taken on lease are capitalized and depreciated over a period of five years or over lease period.

v. Intangible Assets will be amortized over its economic useful period.

vi. The details of depreciation rates based on estimated economic useful life for each category of assets are as under:-

Class of Asset	Rate of Depreciation %
Buildings	5.00
Computers	33.33
Software	33.33
Office Equipments	20.00
Furniture & Fixtures	25.00
Interiors	20.00
Vehicles	20.00

A.S. VARADHARAJAN & CO. CHARTERED ACCOUNTANTS CHENNAI 600 028

e. Impairment of assets

Company determines whether there is any indication of impairment of the carrying amount of its assets. The recoverable amounts of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amounts. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of cash-generating unit to which the asset belongs.

f. Inventories

Inventories are valued at lower of cost and net realizable value. Costs include cost of purchase and other costs incurred in bringing the inventories to the point of sale. Inventory cost is determined on specific costing basis.

g. Leases

Leases are classified as finance or operating leases depending upon the terms of the lease agreements.

h. Warranties

The Original product manufacturer generally warrants the products traded by the company.

i. Revenue Recognition

1. Sales revenue is recognized when the ownership and title is transferred on invoicing based on confirmed orders which generally coincides with delivery. Revenue is stated net of trade discounts and sales tax.

2. Service revenue is recognized when services are rendered.

3. Revenue from supplier schemes is accrued, based on the fulfillment of terms of such programs.

j. Foreign Currency Transactions

Foreign currency transactions are recorded at the prevailing rate on the date of transaction. Gains or losses on settlement of the transaction are accounted under appropriate heads in the Profit and Loss account. Monetary assets and liabilities denominated in foreign currency are restated at the exchange rates as on the Balance Sheet date and exchange gain/loss is suitably dealt with in the Profit and Loss Account. The premium or discount arising at the inception of the foreign exchange contract is amortized as expense or income over the tenor of the contract.

k. Employee Benefits

(i) Short Term Employee Benefits

Short term employee benefits including accumulated compensated absences determined as per Company's policy/ scheme are recognized at the balance sheet date as expense based on expected obligation on undiscounted basis.

(ii) Long Term Employee Benefits

Defined Benefit Plan
Leave Encashment and Gratuity

The obligation for long-term employee benefits such as compensation payable at the time of retirement / resignation on unavailed leave days and gratuity is provided based on actuarial valuation as at the Balance Sheet date, using the Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the year in which they occur. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined obligation as adjusted for unrecognized past service cost.

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

Defined Contribution Plan

Contribution under statutory laws relating to employee benefits, including Provident Fund and ESI, is made in accordance with the respective rules and is charged to Profit and Loss Account.

l. Provision for Taxation

1. Provision for taxation comprises of the current income tax determined in accordance with the provisions of the Income Tax Act, 1961, on the income for the year chargeable to tax and the deferred tax asset or liability for the year.

2. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of the assets and liabilities and their respective tax bases using enacted or substantially enacted tax rates. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward to the extent they can be realized.

m. Earnings per share

The earnings considered in ascertaining the Company's earning per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing the diluted earning per share comprises the weighted average number shares considered for deriving basic earning per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity shares.

n. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for

(i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

22. Other Notes forming part of Accounts

a. Unsecured Loans – Short term

The company during the year had received temporary unsecured loans from Redington (India) Limited, an associate company. The details are disclosed under "Related Party transactions".

A.S. VARADHARAJAN & CO. CHARTERED ACCOUNTANTS CHENNAI 600 028

b. Deferred Tax

As per Accounting Standard 22, "Accounting for taxes on income" issued by The Institute of Chartered Accountants of India, the net deferred tax asset as at 31st Mar 2016 works out to Rs.470.94(As per details given below). The said deferred tax asset has not been considered in the books of account as per the prudent accounting policy. The deferred tax asset/liability is measured at the enacted tax rate of 30.90%

S. No.	Particulars	31.03.16	31.03.15
		(Rs. In Lakhs)	
	Deferred Tax Assets/(Liability))		
1	Provision for Leave	8.70	6.32
2	Provision for Gratuity	10.35	7.88
3	Preliminary Expenditure (Not Written Off in Statement of Total Income)	0.73	1.09
4	Carry forward of unused tax losses	1126.31	635.11
5	On account of depreciation allowance;-		
	Net Block as per accounts – A	*427.49*	*608.53*
	Net Block as per Income Tax Act – B	*805.51*	*864.63*
	Difference –(B) – (A)	378.02	256.10
	Total	**1524.11**	**906.49**
	Tax Rate	30.90%	30.90%
	Deferred Tax Asset	**470.94**	**280.11**

c. Trade Payables

Supplier balances included under Trade Payables are net of rebates and discount entitlements from them.

d. Due to Micro and Small Enterprises

In accordance with the Notification No.GSR 719 (E) dated 16.11.2007 issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro and Small Enterprises as defined under the Micro, Small and Medium Development Act, 2006. The Company is in the process of compiling the relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in these financial statements. However, in the considered view of the management and as relied upon by the auditors, impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material.

e. Gratuity

The Company's obligation towards gratuity is a defined benefit plan and details of actuarial valuation as of March 31, 2016 are given below:

a) Movement

Particulars	**2015-16**	**2014-15**
Projected Benefit Obligation as of April, 2015	7.88	4.29
Service cost	3.43	3.43
Interest cost	0.63	0.33
Actuarial Loss/(Gain)	(1.59)	(0.17)
Benefits paid	NIL	NIL

Projected Benefit Obligation as of March 31, 2016	10.35	7.88
Amount recognised in the Balance Sheet:		
Projected benefit obligation at the end of the year	10.35	7.88
Fair value of plan assets at the end of the year	NIL	NIL
Liability recognised in the Balance Sheet	10.35	7.87
Particulars	**2015-16**	**2014-15**
Cost of defined plan for the year:		
Current service cost	3.43	3.43
Interest cost	0.63	0.33
Net actuarial loss recognized in the year	(1.59)	(0.17)
Net cost recognized in the Profit and Loss account	2.47	3.59

b) Mean Financial Assumptions

Particulars	2015-16	2014-15
Discount Rate	8%	7.75%
Salary escalation rate	5%	5%
Demographic assumptions – Mortality	IALM(2006-08) Ult	IALM(2006-08) Ult
Demographic assumptions - Withdrawal	8%	5%

The amounts provided for gratuity as per actuarial valuation has been arrived after considering future salary increases, inflation, seniority and promotion.

f. Earnings Per Share

The calculation of Basic and Diluted Earning per share is based on the following data:-

Description	31.03.2016	31.03.2015
Numerator-Profit / (Loss) after Tax (Rs. In Lakhs)	(627.86)	(368.19)
Denominator-Weighted Average Number of equity shares	210,000	210,000
Face Value per share in (Rs.)	10/-	10/-
Basic and Diluted Earnings per share in (Rs.)	(298.98)	(175.33)

g. Related Parties

i) Name of the related parties

a. Associate Companies	Redington (India) Limited, India Easyaccess Financial Services Limited, India Cadensworth (India) Limited, India Nook Micro Distribution Limited, India

A.S. VARADHARAJAN & CO. CHARTERED ACCOUNTANTS CHENNAI 600 028

ii) Nature of Transactions

Nature of Transactions	Year Ended March'2016	Year Ended March'2015
1. Redington (India) Ltd		
Purchases of Goods	6453.54	4,055.7
Interest Paid	209.60	212.62
Goods Sold	Nil	Nil
Service Charges Received	Nil	Nil
Service Charges Paid	Nil	Nil
Loan Taken	2440.00	1940.00
Amount Payable at year end	1015.55	904.89
2.Nook Micro Distribution Ltd		
Purchase of Goods	123.54	10.90
Purchase of Assets	Nil	Nil
Sale of Goods	Nil	12.02
Amount Payable at the year end	Nil	0.62
Amount Receivable at year end	Nil	
3.Ensure Support Services (India) Ltd		
Service Charges Expenses	Nil	2.40
Amount Payable at the year end	Nil	0.90
Amount Receivable at year end	Nil	Nil

h. Segment Reporting

The Company has only one business if trading on IT and other products operating in various states in India. Hence there are no reportable business/geographical segments to be disclosed under the Accounting Standard 17 " Segment Reporting".

i. Operating Leases

The Company has taken premises on operating lease for its showroom. The rent during lock in period is amortised on straight line basis over the non cancellable term of the lease.

j. Previous year's figures are regrouped according to current year's classification

Signatories to Schedule 1 to 22

For A.S.Varadharajan & Co
Chartered Accountants
Firm Registration No. 009840S

A. S. Varadarajan
Partner
Membership No. 018899
Place : Chennai
Date : 18/05/2016

A.S. VARADHARAJAN & CO. CHENNAI 600 028 CHARTERED ACCOUNTANTS

For and on behalf of the Board

S.Srinivasan
Director

V. Vikram
Director

REDINGTON KENYA(EPZ) LIMITED
Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	**Note.No**	**As at 31.03.2016**	**As at 31.03.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	65,340.00	67,600.00
	(b) Reserves and surplus	4	(9,914,038.20)	(7,152,756.00)
			(9,848,698.20)	**(7,085,156.00)**
2	**Current liabilities**			
	(a) Trade payables	5	478,288.80	260,260.00
	(b)Other current liabilities	6	28,230,800.40	26,538,408.00
			28,709,089.20	**26,798,668.00**
	TOTAL		**18,860,391.00**	**19,713,512.00**
2	**Current assets**			
	(b)Trade receivables	7	18,623,860.20	19,268,028.00
	(d) Cash and cash equivalents	9	124,799.40	317,044.00
	(e) Short-term loans and advances	8	111,731.40	128,440.00
			18,860,391.00	**19,713,512.00**
	TOTAL		**18,860,391.00**	**19,713,512.00**
	See accompaying notes to accounts			

REDINGTON KENYA(EPZ) LIMITED

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

	Particulars	Note.No	31st March,2016	31st March,2015
			2015-16	2014-15
	Income			
I.	Revenue from operations		-	-
II.	Other income	10	-	57,572.31
III.	**Total Revenue**		**-**	**57,572.31**
IV.	**Expenses:**			
	Other expenses	12	2,990,027.82	4,746,288.46
	Total expenses		**2,990,027.82**	**4,773,206.26**
V.	**Profit before tax**		**(2,990,027.82)**	**(4,715,633.95)**
VI.	Exceptional items			-
VII.	Profit before extraordinary items and tax		**(2,990,027.82)**	**(4,715,633.95)**
VIII.	Extraordinary Items			-
IX.	Profit before tax		**(2,990,027.82)**	**(4,715,633.95)**
VI.	Tax expense:			
	Current tax			(17,134.62)
VI.	**Profit after Tax**		**(2,990,027.82)**	**(4,698,499.34)**
XIII	Profit before Minority Interest			(4,698,499.34)
XIV	Minority interest			
XV	**Profit for the Year**		**(2,990,027.82)**	**(4,698,499.34)**
XVI	Earnings per equity share:			
	Basic			
	Diluted			
	See accompaying notes to accounts			

REDINGTON KENYA(EPZ) LIMITED
Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**(2,990,027.82)**		**(4,715,633.95)**	
Adjustments for:				
- Depreciation	-		26,917.80	
Operating Profit before working capital changes	**(2,990,027.82)**		**(4,688,716.15)**	
Decrease in Trade receivables	644,167.80		504,635.71	
Increasein Loans & advances and Other current assets	16,708.60		491,014.63	
Decrease in Inventories	-		49,265.14	
Increase in Trade Payables, Other Current Liabilities & Provisions	1,910,421.20		2,767,703.49	
Cash generated from operations	**(418,730.22)**		**(876,097.18)**	
Direct taxes paid	-		(17,134.62)	
Net Cash (used in) / generated from operating activities		**(418,730.22)**		**(893,231.80)**
Cash flow from investing activities:				
Proceeds from sale of fixed assets	-		181,652.39	
Net Cash used in investing activities		**-**		**181,652.39**
Net (decrease) / increase in cash and cash equivalents		**(418,730.22)**		**(711,579.41)**
Cash and cash equivalents at the beginning of the year		**317,044.00**		**809,777.87**
Currency Translation Adjustment		226,485.61		218,845.54
Cash and cash equivalents at the end of the year		**124,799.40**		**317,044.00**

REDINGTON KENYA (EPZ) LIMITED

FINANCIAL STATEMENTS

31 MARCH 2016

REDINGTON KENYA (EPZ) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

CORPORATE INFORMATION

DIRECTORS	Raj Shankar* Sriram Ganeshan** * Singaporean ** Indian
SECRETARY & REGISTERED OFFICE	Winnie Jumba Certified Public Secretary (Kenya) Deloitte Place Waiyaki way, Muthangari P O Box 30029 - 00100 Nairobi
REGISTERED OFFICE	Austen Place, Plot no. 8134/XV School Lane, Westlands P O Box 383-00606 Nairobi
PRINCIPAL PLACE OF BUSINESS	Incubater – G2 Athi River EPZ P O Box 383- 00606 Nairobi
AUDITORS	Deloitte & Touche Certified Public Accountants (Kenya) Deloitte Place Waiyaki way, Muthangari P O Box 40092 - 00100 Nairobi
BANKERS	NIC Bank Limited The Mall Branch, Westlands P O Box 44599-00100 Nairobi

REDINGTON KENYA (EPZ) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 March 2016

ACTIVITIES

The company imports information technology products for export to neighbouring countries.

RESULTS

	INR
	2016
Loss for the year	**(29,90,027.82)**

DIVIDEND

The directors do not recommend the payment of a dividend for the year (2016 – Nil)

DIRECTORS

The current directors are named in the financial statements.

AUDITORS

Deloitte & Touche, having expressed their willingness, continue in office in accordance with section 159 (2) of the Companies Act.

BY ORDER OF THE BOARD

Secretary

May,24,.2016

Nairobi

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the directors to ensure that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors acknowledge that the continued existence of the company as a going concern depends on continued financial support from the shareholders and success of the various strategic measures that the directors are pursuing to enable the company to remain profitable and reduce reliance on the shareholders for financial support. The directors are of the view that once these measures are fully implemented, the company will trade profitably for the foreseeable future.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF REDINGTON KENYA (EPZ) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Redington Kenya (EPZ) Limited set out which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the company's preparation of financial statements that give a true and fair view in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of the company as at 31 March 2016 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF REDINGTON KENYA (EPZ) LIMITED (Continued)

Emphasis of matter

We draw your attention to note 3 to the financial statements which provides disclosures on the going concern basis applied in the preparation of these financial statements. The conditions indicate uncertainty which may cast doubt about the company's ability to continue as a going concern.

Report on Other Legal Requirements

As required by the Kenyan Companies Act we report to you, based on our audit, that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
ii) in our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and
iii) the company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Certified Public Accountants (Kenya)

May,24,2016

Nairobi

1 ACCOUNTING POLICIES

Statement of compliance with International Financial Reporting Standards (IFRS)

The financial statements have been prepared in accordance with International Financial Reporting Standards.

For the Kenyan Companies Act reporting purposes, in these financial statements the balance sheet is represented by the statement of financial position and the profit and loss account is presented in the statement of comprehensive income.

Adoption of new and revised International Financial Reporting Standards (IFRS)

(i) New standards and interpretations and amendments to published standards effective for the year ended 31 March 2014

Several new and revised standards and interpretations to published standards became effective during the year and were adopted by the company.

The adoption of these amendments has not had any material effect on amounts reported in the financial statements.

(ii) New standards and amendments to published standards and interpretations in issue but not yet effective in the year ended 31 March 2014

At the date of authorization of these financial statements, several new and revised standards andinterpretations were in issue but not yet effective. The adoption of these standards andinterpretations when effective will not have a significant impact on the company’s financialstatements when effective.

Basis of accounting

The financial statements are prepared under the historical cost basis of accounting. The principal accounting policies adopted remain unchanged from the previous year and are presented below.

Revenue recognition

Revenue is recognized upon the delivery and acceptance of products by customers and represents the value of goods invoiced to customers during the period net of value added tax, sales returns and trade discounts.

Equipment

Equipments are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated to write off the cost of furniture and equipment in equal annual installments over their estimated useful lives. The annual rates in use are:

Furniture and equipment	20%

Inventories

Inventories are stated at the lower of purchase cost and net realisable value. Cost is determined by the first-in, first-out method. The cost of finished goods comprises direct purchase cost, insurance, freight and other incidental costs. Net realisable value is the estimate of the selling price in the ordinary course of business. Specific provision is made for obsolete, slow moving and defective inventories.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease. Assets acquired under finance leases are capitalised at the dates of the agreements. The interest element of each instalment is charged to profit or loss at the time that each installment falls due.

Tax

The company operates in the Athi River Export Processing Zone and hence is tax exempt.

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into Kenya Shillings at the rates of exchange ruling at year end. Transactions during the period are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are dealt with in the profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company has become party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on the review of all outstanding amounts at the statement of financial position date. Bad debts are written off when all reasonable steps to recover them have failed.

Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Trade payables

Trade payables are stated at their nominal value.

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the entity's accounting policies, the directors have made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key areas of judgment in applying the company's accounting policies are dealt with below:

Equipment

Critical estimates are made by the management, in determining depreciation rates for equipment.

Impairment losses

At each year end, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Critical judgments in applying accounting policies

Classification of financial assets and liabilities

Critical judgments are made by the company in classifying its financial assets and liabilities.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of Equipment

As described above, the company reviews the estimated useful lives of equipment at the end of each annual reporting period.

3 GOING CONCERN

The company made a loss before tax of 29,90,027.82 during the year ended 31 March 2016 (2015 :46,98,499.34) and as at that date its current liabilities exceeded its current assets by 98,48,698.20 (2015 : 70,85,156.00 and it had a shareholders' deficit 98,48,698.20 (2015: 70,85,156)The shareholders and have confirmed their commitment to continue providing the financial support that may be required by the company to enable it pay its obligations as they fall due. Consequently, the directors have prepared these financial statements on the going concern basis.

REDINGTON KENYA (EPZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

3. Share Capital:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued Subscribed capital	65,340.00	67,600.00

4. Reserves and Surplus:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Profit and Loss Account		
Opening Balance	(72,22,876.18)	(2,524,376.84)
Add: Current year profit	(29,90,027.82)	(4,621,586.16)
Closing Balance	**(102,12,903.99)**	**(7,145,963.00)**
(b) Foreign Currency Translation reserve		
Opening balance	70,120.17	(113,695.68)
Movement during the year	2,28,745.62	130,592.62
Closing balance	2,98,865.79	16,896.94
Total	**(99,14,038.20)**	**(7,129,066.06)**

5. Trade Payables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Expense Payable	4,78,288.80	243,360.00
(**b)** Tax payable	-	16,900.00
Total	**4,78,288.80**	**2,60,260.00**

REDINGTON KENYA (EPZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

6. Other Current Liabilities:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Due to related parties*	282,30,800.40	265,38,408.00

***Due to related Parties**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Redington Gulf FZE UAE	282,30,800.40	26,538,096.79
Total	**282,30,800.40**	**26,538,096.79**

7. Trade Receivables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured, considered good	186,23,860.20	19,282,436.51
Total	**186,23,860.20**	**19,282,436.51**

8. Short term Loans and advances (Unsecured and Considered good)

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Security deposits	60,112.80	76,388.00
(b) Prepaid expenses - Unsecured, considered good	51,618.60	52,052.00
Total	**1,11,731.40**	**1,28,440.00**

9. Cash and Cash Equivalents:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Balances with banks	1,24,799.40	3,17,044.00

10. Other Incomes:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Other non operating income	-	57,386.82
Total	**-**	**57,386.82**

11. Other Expense:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	3,10,593.05	311,100.57
Freight	--	50,843.76
Repairs and Maintenance	--	564,622.86
Insurance	--	321,285.70
Professional Charges	--	1,143,814.14
Auditor's Remuneration	2,81,942.95	145,644.23
Exchange Gain/(Loss) Net	22,68,566.40	1,813,337.83
Security Charges	--	-
Bank Charges	15,627.32	7,915.38
Miscellaneous Expenses	1,13,298.09	293,490.70
Total	**29,90,027.82**	**4,652,055.18**

12 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The major types of financial risks faced by the company are:

- Market Risk – Foreign Exchange risk
- Credit Risk
- Liquidity Risk

a) Market Risk – Foreign Exchange Risk

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The company manages its exchange risk by consistently monitoring the market to determine suitable rates. The inter company foreign exchange is determined by the parent company. The company maintains a dollar account whereby the debtors in foreign currency pay in so as to minimize translation gains and loss.

b) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining payments before delivery of goods and bank guarantees, where appropriate, as a means of mitigating the risk of financial loss from default. Credit information about customers is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management regularly.

The average credit period on sales of goods is 30 days. No interest is charged on past due trade receivables.

The customers under the fully performing category are paying their debts as they continue trading

The credit risk on liquid funds with financial institutions is also low, because the counter parties are banks with good credit-standing.

c) Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities. The Company has access to subordinated interest free loans from related parties at its disposal to further reduce liquidity risk.
The table below shows the maturity analysis of the financial liabilities and assets that affect liquidity.

13 CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The company was not geared as at 31 March 2016 (2015: Nil).

14 INCORPORATION

The company is domiciled and incorporated in Kenya under the Companies Act. The holding company is Redington Kenya Limited incorporated in Kenya. The ultimate holding company is Redington Gulf FZE incorporated in the United Arab Emirates.

15 CURRENCY

These financial statements are prepared in Indian Rupee.

Africa Joint Technical Services Company

Standalone Balance Sheet as at 31 March, 2016

			Amount in ₹	
	Particulars	**Note No.**	**As at 31.03.2016**	**As at 31.03.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	9	14,480,880.00	13,717,080.00
	(b) Reserves and surplus	10	1,728,293.03	1,637,133.35
			16,209,173.03	**15,354,213.35**
2	**Current liabilities**			
	(a) Trade payables	7	-	327,006.64
	(b)Other current liabilities	8	7,265,685.00	6,555,327.15
			7,265,685.00	**6,882,333.78**
	TOTAL		**23,474,858.03**	**22,236,547.14**
B	**ASSETS**			
1	**Non-current assets**			
	Fixed assets			
	Tangible assets	11	29,010.03	27,479.88
			29,010.03	**27,479.88**
2	**Current assets**			
	(a) Inventories	5	-	-
	(b)Trade receivables	4	13,282,394.10	12,581,725.88
	(c) Cash and cash equivalents	3	5,450,506.69	5,163,018.84
	(d) Short-term loans and advances	6	4,712,898.94	4,464,322.54
			23,445,799.73	**22,209,067.26**
	TOTAL		**23,474,858.03**	**22,236,547.14**
ee accompanying notes forming part of financial statement				

Africa Joint Technical Services Company

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in `

Particulars	**Note No.**	**31st March,2016**	**31st March,2015**
		2015-16	**2014-15**
Expenses:			
Depreciation & Amortisation	11	-	
Other expenses	12	-	-
Total expenses		**-**	**-**
Profit before tax		**-**	**-**
Profit after Tax		-	-
See accompanying notes forming part of financial statements			

Africa Joint Technical Services Company
Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	-		-	
Adjustments for:				
- Depreciation	-		-	
Operating Profit before working capital changes	-		-	
Decrease in Trade receivables	(700,668.22)		(869,159.17)	
(Increase)/Decrease in Loans & advances and Other current assets	(248,576.40)		2,135,143.74	
Increase in Inventories	-		2,135,516.74	
Increase in Trade Payables, Other Current Liabilities & Provisions	383,351.22		(2,147,554.62)	
Cash generated from operations	**(565,893.40)**		**1,253,946.69**	
Net Cash (used in) / generated from operating activities		**(565,893.40)**		**1,253,946.69**
Cash flow from investing activities:				
Purchase of fixed assets	-		(29,561.85)	
Net Cash used in investing activities		**-**		**(29,561.85)**
Cash flow from financing activities:				
Net Cash generated from financing activities		**-**		**-**
Net (decrease) / increase in cash and cash equivalents		**(565,893.40)**		**1,224,384.84**
Cash and cash equivalents at the beginning of the year		**5,163,018.83**		**5,250,752.06**
Currency Translation Adjustment		853,381.26		(1,312,118.07)
Cash and cash equivalents at the end of the year		**5,450,506.69**		**5,163,018.83**

AFRICA JOINT TECHNICAL SERVICES COMPANY
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR’S REPORT
FOR THE YEAR ENDED MARCH 31, 6

El Andalus Building, Baghdad St.
Dahra - Tripoli (2) PO Box : 3789
Tel. : (218) 21 333 5107
Fax : (218) 21 333 6291

Independent Auditor's Report to:

The Shareholders
Africa Joint Technical Services Company,
(Joint Stock Company)
Tripoli – Libya

Report on the Financial Statements

We have audited the accompanying financial statements of **Africa Joint Technical Services Company – (Joint stock company),** (the "Company") which comprise the statement of financial position as at March 31, 2016, and the statement of income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

continued…

United Accountants

<u>Independent Auditor's Report to :</u>
<u>the Shareholders</u>
<u>Africa Joint Technical Services Company</u>

continued (page 2 of 2)

Opinion

In our opinion, the financial statements, referred to above, present fairly, in all material respects, the financial position of **Africa Joint Technical Services Company, (Joint Stock Company), Tripoli – Libya,** as of March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasize of Matter
Without qualifying our opinion, we draw attention to the events that took place in Libya, to the significant uncertainty that the unrest in that country has created, and to the possible effects that these events may have on the future performance and financial position of the company. The ultimate outcome of the political situation can't presently be determined and, accordingly, no provision for any effects on the company that may result has been made in the financial statement.

Hussein Abu Nawara & Co.
Correspondent firm of KPMG International

Tripoli
May,24,2016

1. Company incorporation and operations

Africa Joint Technical Services Company is a joint stock company (the "Company") registered on April 29, 2008 at General Commercial Register under No.: 05216, in accordance with the provisions of the Libyan Commercial Code and the related Companies Laws as amended.

The shareholders of the Company are Atlas consultancy technical service and Technical Service Company, a Libyan Join Stock Company, holding 35% of the share capital and Redington Gulf Middle East LLC, a company incorporated in Jebel Ali Free Zone, holding 65% of the share capital.

The principal activity of the company is Computers Services and Maintenance.

The main office of the company is in Tripoli - Libya

2. Significant accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements are presented in Libyan Dinars (LYD) since that is the currency of the country in which the Company is domiciled. The following is a summary of the significant accounting policies adopted:

Basis of accounting

The financial statements have been prepared on the historical cost basis.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out (FIFO) method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

2. Significant accounting policies (continued)

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any identified impairment loss.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, as follows:

	%
Furniture and fixtures	20 %
Motor vehicles	33 %
Office equipment	20%
Computers and Related Equipments	33 %

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Intangible asset

Cost of software purchased is amortized using straight-line method over its estimated useful life of 3 to 8 years.

Impairment of tangible assets and intangible asset

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2. Significant accounting policies (continued)

Statutory reserve

In accordance with the Libyan Commercial Code, the related Companies Laws as amended and the Company Memorandum and Articles of Association, the Company has to establish a statutory reserve by appropriation of 5% of net profit for each year until the reserve equals 20% of the share capital. This reserve is not available for distribution except in the circumstances stipulated by the law.

Revenue recognition

Service income is recognised when the service is rendered.

Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising from foreign currency transactions are included in the income statement for the year.

Borrowing costs

Borrowing costs are recognised in the income statement in the year in which they are incurred.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions including warranty are measured at the management's best estimate of the expenditure required to settle the obligation at the balance sheet date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company has become a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are measured at their amortised cost as reduced by appropriate allowance for estimated doubtful debts.

Trade and other payables

Trade and other payables are measured at their amortised cost.

Due from/to related parties

Due from/to related parties are measured at their amortised cost.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, banks' current accounts, demand and time deposits with an original maturity of three months or less at date of placement, free of any encumbrances.

3. Cash and cash equivalents

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	-	5,163,018.84
(b) Balances with banks	54,50,506.69	-
Total	**54,50,506.69**	**5,163,018.84**

4. Trade receivables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Trade receivables- Unsecured, considered good	132,82,394.10	12,581,725.88

5. Inventories

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Trading Stocks	-	-
Total	**-**	**-**

6. Short Term Loans and Advances (Unsecured and considered good):

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Loans and advances to related parties*	47,12,898.94	4,464,322.54

***Related party transactions**

a) The immediate parent and ultimate controlling party respectively of the Company are Atlas Investment and Technical Service Company and Redington Gulf Middle East LLC

b) The Company enters into transactions with the parties that fall within the definition of a related party as contained in International Accounting Standard No. 24: Related Party Disclosures. Related parties comprise of companies and entities under common ownership and/or common management and key management personnel. The extent to which price protection rebates are transferred to the Company from Africa Joint Technical Services Company Gulf FZE (Parent).

c) The management decides on the terms and conditions of the transactions and of services received/rendered from/to related parties as well as on other charges.

d) At the Balance Sheet date, due from/ due to related parties were as follows

	2016 INR	**2015 INR**
Due from related parties		
Entities under common ownership or common control	47,12,898.94	4,464,322.54
Due to related parties		
Entities under common ownership or common control	72,983.64	69,022.97

-

7. Trade payables

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trade Payables*		327,006.64
Total		**327,006.64**

*The management consider that the carrying amount of trade payables approximate their fair value.

Africa Joint Technical Services Company
Tripoli – Libya

Notes to the Financial Statements (continued)
For the Year Ended March 31, 2016

8. Other Current Liabilities

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Expenses payable	71,92,701.37	**64,86,304.17**
(b) Due to Related Parties*	72,983.64	**69,022.97**
Total	**72,65,685.00**	**65,55,327.15**

9. Share capital

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Paid up capital	**144,80,880.00**	**13,717,080.00**

10. Reserves and Surplus

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	**10,70,515.71**	**10,70,515.71**
Add: Current year profit	-	-
Closing Balance	**10,70,515.71**	**10,70,515.71**
(b) Statutory Reserves		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	**(1,79,922.37)**	**1,84,182.44**
CTA	(10,018.51)	(3,64,104.80)
Closing balance	**(1,89,940.88)**	**(1,79,922.37)**
(c) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	**7,46,540.01**	**8,57,674.49**
Movement during the year	1,01,178.19	(1,11,134.48)
Closing balance	**8,47,718.20**	**7,46,540.01**
Total	**17,28,293.03**	**16,37,133.35**

11. Fixed Assets:

Amount in ₹

Particulars	**Furniture & Fixtures**	**Office equipments**	**Computers**	**Vehicles**	**Total**
Cost					
As at 01.04.15	**1,566,993.50**	**37,264.73**	**308,817.19**	**906,698.99**	**2,819,774.41**
Translation adjustments	87,253.97	2,074.99	17,195.68	50,487.18	1,57,011.82
As at 31.03.16	**16,54,247.46**	**39,339.72**	**3,26,012.88**	**9,57,186.17**	**29,76,786.23**
AccumulatedDepreciation					
As at 01.04.15	**1,566,993.50**	**9,784.85**	**308,817.19**	**906,698.99**	**2,792,294.53**
Translation adjustments	87,253.97	544.84	17,195.68	50,487.18	1,55,481.67
As at 31.03.16	**16,54,247.46**	**10,329.69**	**3,26,012.88**	**9,57,186.17**	29,47,776.20
Carrying Amount					
As at 01.04.15	**-**	**27,479.88**	**-**	**-**	**27,479.88**
As at 31.03.16		**29,010.03**			**29,010.03**

12. Subsequent Events:

The latest events in Libya, has forced the directors to suspend the company's operation. The events created a material uncertainty on the company's ability to continue as a going concern. The directors are monitoring the situation on a day to day basis. To date, the directors are not aware of any losses in the company's assets in Libya.

The directors are of the opinion that at this stage it is premature to comment on the consequences of the events that are still unfolding in Libya and that they can't make an estimate of the financial effect that the present events in Libya will have on the company's future performance and financial positionThe financial statements do not include any adjustment should the company be unable to realize the full value of its assets and discharge its liabilities in the normal course of business as a result of the prevailing political situation in Libya

13. General

The amounts were rounded to the nearest Indian Rupee.

REDINGTON UGANDA LIMITED

Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	**Note.No**	**As at 31st March,2016**	**As at 31st March,2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	5	295,500.00	315,000.00
	(b) Reserves and surplus	6	15,213,206.80	5,988,003.00
			15,508,706.80	**6,303,003.00**
2	**Non-current liabilities**			
	Deferred tax liabilities	10	1,119,511.60	-
			1,119,511.60	**-**
3	**Current liabilities**			
	(a) Short-term borrowings	7	260,395,722.90	244,414,506.00
	(b) Trade payables	8	7,420,005.00	3,907,890.00
			267,815,727.90	**248,322,396.00**
	TOTAL		**284,443,946.30**	**254,625,399.00**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i)Tangible assets	10	1,320,510.70	2,171,085.00
	(b)Deferred tax assets (net)	9	-	2,534,595.00
			1,320,510.70	**4,705,680.00**
2	**Current assets**			
	(a) Current investments			
	(a) Inventories	12	48,642,668.70	58,086,588.00
	(b)Trade receivables	13	161,906,400.30	138,574,926.00
	(c) Cash and cash equivalents	14	24,935,137.10	13,787,571.00
	(d) Short-term loans and advances	15	47,639,229.50	39,470,634.00
	(g) Short term receivable under financing activity			
			283,123,435.60	**249,919,719.00**
	TOTAL		**284,443,946.30**	**254,625,399.00**

REDINGTON UGANDA LIMITED

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note No.	31st March,2016	31st March,2015
		2015-16	2014-15
Income			
Revenue from operations	16	745,392,187.74	742,362,401.10
Other income	17	48,391.78	2,915,886.19
Total Revenue		**745,440,579.52**	**745,278,287.29**
Expenses:			
Purchases of trading stock		669,085,459.59	688,973,467.99
Changes in inventories of trading stock		6,677,871.60	(13,432.05)
Employee benefits	18	8,237,701.34	13,382,801.49
Depreciation & Amortisation	11	1,181,010.52	1,599,006.80
Other expenses	19	47,226,813.18	41,118,634.86
Total expenses		**732,408,856.24**	**745,060,479.09**
Profit before tax		**13,031,723.28**	**217,808.20**
Tax expense:			
Current tax		3,480,796.75	65,331.22
Profit after Tax		**9,550,926.53**	**152,476.98**
See accompanying notes forming part of Profit and Los statement			

REDINGTON UGANDA LIMITED

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**13,031,723.28**		**217,808.20**	
Adjustments for:				
- Depreciation	1,181,010.52		1,599,006.80	
Operating Profit before working capital changes	**14,212,733.81**		**1,816,815.00**	
Increase in Trade receivables	(23,331,474.30)		(44,315,826.00)	
Increase in Loans & advances and Other current assets	(5,634,000.50)		2,703,631.00	
Increase in Inventories	9,443,919.30		(15,487,968.00)	
Increase in Trade Payables, Other Current Liabilities & Provisions	4,631,626.60		(4,676,390.00)	
Cash generated from operations	**(677,195.09)**		**(59,959,738.00)**	
Direct taxes paid	(3,480,796.75)		(65,331.22)	
Net Cash (used in) / generated from operating activities		**(4,157,991.85)**		**(60,025,069.22)**
Cash flow from investing activities:				
Purchase of fixed assets	(468,192.48)		(763,037.11)	
Proceeds from sale of fixed assets	-			
Net Cash used in investing activities		**(468,192.48)**		**(763,037.11)**
Cash flow from financing activities:				
Proceeds from short term borrowings	15,981,216.90		57,361,986.00	
Net Cash generated from financing activities		**15,981,216.90**		**57,361,986.00**
Net (decrease) / increase in cash and cash equivalents		**11,355,032.58**		**(3,426,120.33)**
Cash and cash equivalents at the beginning of the year		**13,787,571.00**		**17,126,340.00**
Currency Translation Adjustment		(207,466.48)		87,351.33
Cash and cash equivalents at the end of the year		**24,935,137.10**		**13,787,571.00**

Redington Uganda Limited

Report and Financial Statements

31 March 2016

REDINGTON UGANDA LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS	Raj Shankar* Sriram Ganeshan** * - Singapore ** - Indian
REGISTERED OFFICE	Plot 15, Mulwana Road, Industrial Area, Opposite Uganda Batti P. O. Box 33009 Kampala
AUDITORS	Deloitte & Touche Certified Public Accountants (Uganda) 3rd Floor Rwenzori House 1 Lumumba Avenue P. O. Box 10314 Kampala
BANKERS	Diamond Trust Bank Uganda Limited Diamond Trust Building Plot 17/19, Kampala Road P. O. Box 7155 Kampala Standard Chartered Bank Uganda Limited 5 Speke Road P. O. Box 7111 Kampala

REDINGTON UGANDA LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual report together with the audited financial statements for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is trading in computers, related peripherals and accessories and providing service to its customers.

DIRECTORS

The present membership of the board is presented.

AUDITORS

The auditors, Deloitte and Touche, have expressed their willingness to continue in office in accordance with Section 159(2) of the Ugandan Companies Act (Cap 85).

BY ORDER OF THE BOARD

Director

Kampala
May,20,2016

REDINGTON UGANDA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Ugandan Companies Act requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the directors to ensure that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors are responsible for the preparation and fair presentation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Ugandan Companies Act, and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Ugandan Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors certify that to the best of their knowledge, the information furnished to the auditors for the purpose of the audit was correct and is an accurate representation of the company's financial transactions.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

Sd:-

Director

2016

Sd:-

Director

2016

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF REDINGTON UGANDA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Redington Uganda Limited, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Ugandan Companies Act, and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; we considered internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of financial affairs of the company as at 31 March 2014 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Ugandan Companies Act.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF REDINGTON UGANDA LIMITED (continued)

Report on Other Legal Requirements

As required by the Ugandan Companies Act we report to you, based on our audit, that:

i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

ii) In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and

iii) The company's statement of financial position (balance sheet) and the statement of comprehensive income (profit and loss account) are in agreement with the books of account.

Certified Public Accountants (Uganda)

May,20,2016

Kampala

REDINGTON UGANDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1 GENERAL

Redington Uganda Limited is a limited liability company incorporated and domiciled in Uganda under he Ugandan Companies Act. It is a subsidiary of Redington Gulf FZE, a company incorporated in Dubai, United Arab Emirates.

For the reporting purposes under the Ugandan Companies Act, in these financial statements, the balance sheet is equivalent to the statement of financial position while profit and loss account is presented as statement of comprehensive income.

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

(a) **New standards and amendments to published standards effective for the year ended 31 December 2011**	Effective for periods beginning on or after
Amendments and revised standards	
IFRS 1, First-time Adoption of International Financial Reporting Standards – limited exemption from comparative IFRS 7 disclosures for first-time adopters	1-Jul-10
IFRS 1, First-time Adoption of International Financial Reporting Standards – Amendments resulting from May 2010 Annual Improvements to IFRSs	1-Jan-11
IFRS 3, Business Combinations – Amendments resulting from May 2010 Annual Improvements to IFRSs	1-Jul-10
IFRS 7, Financial Instruments: Disclosures – Amendments resulting from May 2010 Annual Improvements to IFRSs	1-Jan-11
IAS 1, Presentation of Financial Statements – Amendments resulting from May 2010 Annual Improvements to IFRSs	1-Jan-11
IAS 24, Related Party Disclosures – Revised definition of related parties	1-Jan-11
IAS 32, Financial Instruments: Presentation – amendments relating to classification of rights issues	1-Feb-10
IAS 34, Interim Financial Reporting – Amendments resulting from May 2010 Annual Improvements to IFRSs	1-Jan-11
New interpretations	
IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction; prepayments of a minimum funding requirement	1-Jan-11
IFRIC 19,Extinguishing Financial Liabilities with Equity Instruments	1-Jul-10

(b) **New and amended interpretations in issue but not yet effective in the year ended 31 December 2011**	Effective for periods beginning on or after
New and Amendments to standards	
IFRS 1, First-time Adoption of International Financial Reporting Standards – replacement of ‘fixed dates’ for certain exceptions with ‘the date of transition to IFRSs’; and additional exemption for entities ceasing to suffer from severe hyperinflation.	1-Jul-11
IFRS 1, First-time Adoption of International Financial Reporting Standards – Additional exemption for entities ceasing to suffer from severe hyperinflation	1-Jul-11
IFRS 7, Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets	1-Jul-11
IFRS 7, Financial Instruments: Disclosures – Amendments enhancing disclosures about offsetting financial assets and financial liabilities	1-Jan-13
IFRS 7, Financial Instruments: Disclosure – Amendments requiring disclosures about initial application of IFRS 9	
IFRS 9, Financial Instruments – Classification and Measurement of financial assets	1-Jan-15

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

IFRS 9, Financial Instruments – Accounting for financial liabilities and derecognition	1-Jan-15
IFRS 10, Consolidated Financial Statements	1-Jan-13
IFRS 11, Joint Arrangements	1-Jan-13
IFRS 12, Disclosure of Interests in Other Entities	1-Jan-13
IFRS 13, Fair Value Measurement	1-Jan-13
IAS 1, Presentation of Financial Statements – presentation of items of other comprehensive income	1-Jul-12
IAS 12, Income Taxes - Limited scope amendment (recovery of underlying assets)	1-Jan-12
IAS 19, Employee Benefits (2011)	1-Jan-13
IAS 27, Separate Financial Statements (2011)	1-Jan-13
IAS 28, Investments in Associates and Joint Ventures (2011)	1-Jan-13
IAS 32, Financial Instruments: Presentation – Amendments to application guidance on the offsetting of financial assets and financial liabilities	1-Jan-14
New interpretation	
IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine	1-Jan-13

(c) **Impact of new and amended standards and interpretations on the financial statements for the year ended 31 December 2011 and future annual periods**

Amendments to IAS 1 Presentation of Financial Statements (as part of Improvements to IFRSs issued in 2010)

The amendments to IAS 1 clarify that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements. In the current year, there was no other comprehensive income and thus this has not effected the presentation of accounts.

IAS 24 Related Party Disclosures (as revised in 2009)

IAS 24 (as revised in 2009) has been revised on the following two aspects: (a) IAS 24 (as revised in 2009) has changed the definition of a related party and (b) IAS 24 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

The Company and its subsidiaries are not government-related entities. The application of the revised definition of related party set out in IAS 24 (as revised in 2009) in the current year has resulted in the identification of related parties that were not identified as related parties under the previous Standard. Specifically, associates of the ultimate holding company of the Company are treated as related parties of the Group under the revised Standard whilst such entities were not treated as related parties of the Group under the previous Standard.

IFRS 9 Financial Instruments (2009)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances)
- Investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognised in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognised in the profit or loss
- The concept of 'embedded derivatives' does not apply to financial assets within the scope of the Standard and the entire instrument must be classified and measured in accordance with the above guidelines.

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

IFRS 9 Financial Instruments (2010)

A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement.

The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

IFRS 10 Consolidated Financial Statements

Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities.

The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.

The Standard introduces a single consolidation model for all entities based on control irrespective of the nature of the investee (i.e. whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in 'special purpose entities'). Under IFRS 10, control is based on whether an investor has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect the amount of the returns.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31, Interests in Joint Ventures. It requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

Joint arrangements are either joint operations or joint ventures:

- A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognise their assets, liabilities, revenue and expenses in relation to its interest in a joint operation (including their share of any such items arising jointly)
- A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 Investments in Associates and Joint Ventures (2011). Unlike IAS 31, the use of 'proportionate consolidation' to account for joint ventures is not permitted.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

In high-level terms, the required disclosures are grouped into the following broad categories:

- Significant judgements and assumptions - such as how control, joint control, significant influence has been determined
- Interests in subsidiaries - including details of the structure of the group, risks associated with structured entities, changes in control, and so on

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

- Interests in joint arrangements and associates - the nature, extent and financial effects of interests in joint arrangements and associates (including names, details and summarised financial information)

- Interests in unconsolidated structured entities - information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities

IFRS 12 lists specific examples and additional disclosures which further expand upon each of these disclosure objectives, and includes other guidance on the extensive disclosures required.

IFRS 13 Fair Value Measurement

IFRS 13 replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard.

The IFRS is the result of joint efforts by the IASB and FASB to develop a converged fair value framework. The IFRS defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs:

- Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - unobservable inputs for the asset or liability

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified.

Classification of Rights Issues

Amends IAS 32 Financial Instruments: Presentation to require a financial instrument that gives the holder the right to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency to be classified as an equity instrument if, and only if, the entity offers the financial instrument pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Prior to this amendment, rights issues (rights, options, or warrants) denominated in a currency other than the functional currency of the issuer were accounted for as derivative instruments.

Prepayments of a Minimum Funding Requirement

The amendments apply when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements, permitting the benefit of such an early payment to be recognised as an asset.

Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters

This amendment provides additional exemption on IFRS transition in relation to IFRS 7 Financial Instruments: Disclosures, to avoid the potential use of hindsight and to ensure that first-time adopters are not disadvantaged as compared with current IFRS preparers.

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

Improvements to IFRSs (2010)

These amend seven pronouncements (plus consequential amendments to various others) as a result of the IASB's 2008-2010 cycle of annual improvements.

Key amendments include:

- IFRS 1 - accounting policy changes in year of adoption and amendments to deemed cost (revaluation basis, regulatory assets)
- IFRS 3/IAS 27 - clarification of transition requirements, measurement of non-controlling interests, unreplaced and voluntarily replaced share-based payment awards
- Financial statement disclosures - clarification of content of statement of changes in equity (IAS 1), financial instrument disclosures (IFRS 7) and significant events and transactions in interim reports (IAS 34)
- IFRIC 13 - fair value of award credits.

Amendments to IFRS 7 Financial Instruments: Disclosures

These make amendments to IFRS 7 Financial Instruments: Disclosures resulting from the IASB's comprehensive review of off balance sheet activities.

The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)

Amends IAS 12 Income Taxes to provide a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 Investment Property will, normally, be through sale.

Amends IFRS 1 First-time Adoption of International Financial Reporting Standards (IFRSs) to:

Replace references to a fixed date of '1 January 2004' with 'the date of transition to IFRSs', thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs

Provide guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.

IAS 19 Employee Benefits (2011)

The key amendments include:

Requiring the recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements (eliminating the 'corridor approach' permitted by the existing IAS 19)

Introducing enhanced disclosures about defined benefit plans

Modifying accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits

Clarifying various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features

Incorporating other matters submitted to the IFRS Interpretations Committee.

Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

Amends the disclosure requirements in IFRS 7 Financial Instruments: Disclosure to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation.

The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The IASB believes that these disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Amends IAS 32 Financial Instruments: Presentation to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of 'currently has a legally enforceable right of set-off'
- the application of simultaneous realization and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

IFRIC 19 Extinguishing Liabilities with Equity Instruments

Requires the extinguishment of a financial liability by the issue of equity instruments to be measured at fair value (preferably using the fair value of the equity instruments issued) with the difference between the fair value of the instrument issued and the carrying value of the liability extinguished being recognised in profit or loss. The Interpretation does not apply where the conversion terms were included in the original contract (such as in the case of convertible debt) or to common control transactions.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

Clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement.

The Interpretation requires stripping activity costs which provide improved access to ore are recognised as a non-current 'stripping activity asset' when certain criteria are met. The stripping activity asset is depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity, using the units of production method unless another method is more appropriate.

(b) **New and amended interpretations in issue but not yet effective**

New and amendments to standards	*Effective for periods beginning on or after*
IAS 27, Separate Financial Statements (2011)	1 January 2014
IAS 28, Investments in Associates and Joint Ventures (2011)	1 January 2014
IFRS 10, Consolidated Financial Statements	1 January 2014
IFRS 11, Joint Arrangements	1 January 2014
IFRS 12, Disclosure of Interests in Other Entities	1 January 2014
IFRS 13, Fair Value Measurement	1 January 2014
Amendment to interpretations	
IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction; prepayments of a minimum funding requirement	1 January 2014

3 SIGNIFICANT ACCOUNTING POLICIES

BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis of accounting and in accordance with International Financial Reporting Standards.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Uganda Shillings (Ushs), which is also the company's functional currency.

USE OF JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

During the period, the areas involving a higher degree of judgement or complexity or where assumptions and estimates are significant to the financial statements are disclosed.

The principal accounting policies adopted in the preparation of these financial statements are set out below. Unless otherwise stated, the accounting policies are consistent with those of the group.

REVENUE

Sales of goods are recognised when goods are delivered and title has passed, net of discounts and returns.

Service income is recognised when the service is rendered.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost less accumulated depreciation and any identified impairment loss.

DEPRECIATION

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, as follows:

Furniture and fixtures	12.50%
Motor vehicles	25.00%
Office equipment	12.50%
Computers	30.00%

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

BORROWINGS

Interest bearing borrowings are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

Borrowing costs are recognized in the profit or loss in the year in which they are incurred.

IMPAIRMENT OF TANGIBLE ASSETS AND INTANGIBLE ASSET

At each end of reporting period, the Company reviews the carrying amounts of its tangible assets and intangible to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the value of money and the risks specific to the assets.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as expense immediately, unless the relevant asset is land or buildings other than investment property carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash- generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

INTANGIBLE ASSETS

Computer software is measured initially at purchase cost and amortized on a straight-line basis over at a rate of 12.5%.

LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out (FIFO) method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

RECEIVABLES

Trade and other receivables are measured at their amortised cost as reduced by appropriate allowance for estimated doubtful debts.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROVISIONS

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation.

Provisions including warranty are measured at the management's best estimate of the expenditure required to settle the obligation at the end of each reporting period.

RETIREMENT BENEFIT OBLIGATIONS

The company makes contributions to the National Social Security Fund (NSSF) which is a statutory retirement benefit scheme established under the NSSF Act. This is a defined contribution scheme into which the company contributes 10% of the employees' gross cash emoluments. The company's contribution is charged to profit or loss as it falls due.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave accrued at the end of each reporting period.

TRANSLATION OF FOREIGN CURRENCIES

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the balance sheet date.

Gains and losses arising from foreign currency transactions are included in profit or loss.

TAXATION

Current taxation is provided on the basis of the results for the year as shown in the financial statements adjusted in accordance with the Uganda tax legislation. The tax liability is calculated on the taxable profit at currently enacted tax rates.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Tax rates enacted or substantively enacted by the end of the reporting period are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, banks' current accounts, demand and time deposits with an original maturity of three months or less at date of placement, free of any encumbrances.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are measured at their amortised cost as reduced by appropriate allowance for estimated doubtful debts.

Trade and other payables

Trade and other payables are measured at their amortised cost.

Due from/to related parties

Due from/to related parties are measured at their amortised cost.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, banks' current accounts, demand and time deposits with an original maturity of three months or less at date of placement, free of any encumbrances.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Where necessary, comparative figures have been adjusted to conform with changes in presentation in current year

4 CRITICAL JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgment in applying the Company's accounting policies

In the process of applying the Company's accounting policies, management has made the following judgments that have significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below):

Warranties

The Company's Original Equipment Manufacturer ("OEM") generally warrants the products distributed by the Company. The Company does not independently warrant the products it distributes and management does not consider that any provisions for warranties or claims are required. Warranty liability is therefore deemed to be resident on the OEM

4 CRITICAL JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for doubtful debts

Allowance for doubtful debts is determined based using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and aging of the receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances.

In particular, specific provisions for individual accounts are recorded when the Company becomes aware of the customer's inability to meet its financial obligations such as in the case of deterioration in the customer's operating results or financial position.

Inventories

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and quality issues.

Based on the above factors, the Company has arrived at certain percentages for allowance for slow moving and obsolete inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

Property and equipment

The cost of property and equipment is depreciated over the estimated useful life, which is based on expected usage of the asset, expected physical wear and tear, which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Leasehold improvements

Management determined the estimated useful life and related depreciation charges for its leasehold improvements. The estimate is based on the assumption that the company will renew its annual lease over the estimated useful life. Depreciation charge would change significantly should the annual lease not be renewed. Management will increase the depreciation charge when the useful life is less than the previously estimated useful life.

REDINGTON UGANDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016 (Continued)

5. Share Capital

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Issued Subscribed capital	**2,95,500.00**	**315,000.00**

6. Reserves and Surplus

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	58,05,857.24	5,653,380.26
Add: Current year profit	95,50,926.53	152,476.98
Closing Balance	**153,56,783.77**	**5,805,857.25**
(b) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	1,82,145.76	(86,120.26)
Movement during the year	(3,25,722.73)	268,266.02
Closing balance	(1,43,576.97)	182,145.76
Total	**152,13,206.80**	**5,988,003.00**

7. Short Term Borrowings:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Loans and advances from Related Parties	2603,95,722.90	244,414,506.00

***Due to related parties**

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Redington Kenya Limited	-	134,967.00
Redington Kenya (EPZ) Limited		
Redington Africa Distribution FZE		
Redington Middle East LLC U.A.E		
Redington Tanzania Limited		
Redington Rwanda Limited		
Redington Gulf FZE	2603,95,722.90	244,279,539.00
Cadensworth		
Total	**2603,95,722.90**	**244,414,506.00**

REDINGTON UGANDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016 (Continued)

8. Trade Payable

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Trade Payables	14,78,425.90	774,795.00
(b) Expense Payable	59,41,579.10	2,965,074.00
(c)Other payable	-	168,021.00
Total	**74,20,005.00**	**3,907,890.00**

9. Deferred Tax Assets/Liabilities:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Deferred Tax Liabilities	11,19,511.60	2,534,595.00

10. Fixed Assets

a. Tangible assets

Amount in ₹

Particulars	Furniture & Fixtures	Office equipments	Computers	Vehicles	Total
Cost					
As at 01.04.15	**3,022,530.00**	**2,290,365.00**	**1,163,064.00**	**2,299,500.00**	**8,775,459.00**
Additions	54,587.82	4,13,604.66	-	-	4,68,192.48
Disposals	-	-	-	-	-
Translation adjustments	(1,86,852.02)	(1,39,837.36)	(71,999.20)	(1,42,350.00)	(5,41,038.58)
As at 31.03.16	**28,90,265.80**	**25,64,132.30**	**10,91,064.80**	**21,57,150.00**	**87,02,612.90**
Accumulated Depreciation					
As at 01.04.15	**2,402,988.00**	**1,340,745.00**	**791,385.00**	**2,069,256.00**	**6,604,374.00**
Addition	4,73,447.34	3,76,918.67	1,80,312.34	1,50,332.18	11,81,010.52
Disposals	-	-	-	-	-

Translation adjustment	(1,46,527.54)	(81,224.07)	(48,141.64)	(1,27,389.08)	(4,03,282.32)
As at 31.03.16	**27,29,907.80**	**16,36,439.60**	**9,23,555.70**	**20,92,199.10**	**73,82,102.20**
Carrying Amount					
As at 01.04.15	619,542.00	949,620.00	371,679.00	230,244.00	2,171,085.00
As at 31.03.16	**1,60,358.00**	**9,27,692.70**	**1,67,509.10**	**64,950.90**	**13,20,510.70**

11. Fixed Assets

b. Intangible assets

Amount in ₹

Particulars	**Software**	**Total**
Cost	-	-
As at 01.04.15	-	-
Disposal	-	-
Translation adjustment	-	-
As at 31.03.16	-	-
Accumulated Depreciation	**Software**	**Total**
As at 01.04.15	-	-
Additions	-	-
Disposal	-	-
Translation adjustment	-	-
As at 31.03.16	-	-
Carrying Amount	**Software**	**Total**
As at 01.04.14	-	-
As at 31.03.15	-	-

12. Inventories

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Trading Stocks	486,42,668.70	58,086,588.00
(b) Goods In Transist	-	-
Total	**486,42,668.70**	**58,086,588.00**

13. Trade Receivables

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured, considered good	1619,06,400.30	138,574,926.00
Total	**1619,06,400.30**	**138,574,926.00**

REDINGTON UGANDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016 (Continued)

14. Cash and Cash Equivalent:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Cash on hand	-	4,179.00
(b) Cash at bank	249,35,137.10	13,783,392.00
Total	**249,35,137.10**	**13,787,571.00**

15. Short Term Loans and advances (unsecured, considered good)

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Loans and advances to related parties	2,94,199.80	3,572,772.00
(b) Prepaid expenses	5,08,969.20	908,628.00
(c)VAT receivable	350,70,865.90	22,297,527.00
(d) Prepaid taxes	115,76,074.60	12,349,932.00
(e) Others	1,89,120.00	341,775.00
Total	**476,39,229.50**	**39,470,634.00**

***Due from related parties**

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Redington Gulf FZE UAE	2,94,199.80	35,72,772.00
Total	**2,94,199.80**	**35,72,772.00**

16. Revenue from Operations:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Sales	7453,92,187.74	742,362,401.10
(ii)Supplier Rebates	-	-
Total	**7453,92,187.74**	**742,362,401.10**

REDINGTON UGANDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016 (Continued)

17. Other Income

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Other non operating income	48,391.78	2,915,886.19
Total	**48,391.78**	**2,915,886.19**

18. Employee Benefits:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Salaries and Bonus	82,37,701.34	13,382,801.49
Total	**82,37,701.34**	**13,382,801.49**

19. Other Expense:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Rent	73,67,060.98	70,05,620.28
Freight	40,18,576.93	28,86,762.64
Repairs and Maintenance	12,83,146.99	14,98,749.81
Utilities	7,46,817.78	7,71,965.34
Insurance	9,68,933.72	71,110.95
Communication	16,71,340.08	21,06,476.29
Printing and Stationery	1,58,018.39	2,60,965.03
Advertisement	16,48,830.45	14,02,360.96
Travel	11,16,540.43	26,19,568.09
Professional Charges	3,60,193.31	1,75,505.96

Bad Debts	9,85,031.64	-
Auditor's Remuneration	8,29,581.85	11,07,122.34
Exchange Gain/(Loss) Net	214,33,266.50	175,16,187.17
Trade Mark License Fees	16,411.64	20,577.65
Cash discount paid to dealers	41,60,595.45	30,98,971.02
Bank Charges	1,17,979.48	37,557.02
Provision for slow moving inventory	2,97,331.05	
Miscellaneous Expenses	47,156.50	5,39,134.33
Total	**472,26,813.18**	**411,18,634.86**

20 FINANCIAL RISK MANAGEMENT

The company has exposure to the following risks from its use of financial instruments

- Credit Risk
- Liquidity Risk
- Market Risk

The company's business activities involve trading in computers, related peripherals and accessories and providing service to its customers. Management endeavours at all times to minimise risks and has put in place elaborate policies in all its functions as a control against risk exposure.

The company is exposed to various risks, including credit risk, interest risk, liquidity risk and foreign exchange risk. The company's risk management strategy is based on a clear understanding of various risks, disciplined risks assessment procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with the industry best practices. Management is responsible for the assessment, management and mitigation of risk in the company.

The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks.

The financial management objectives and policies are as outlined below:

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company's credit risk is primarily attributable to its trade and other receivables and amounts due from related parties, estimated by the company's finance departments based on prior experience, existing financial and economic factors faced by the debtor and the exit options available.

The credit risk on liquid funds with financial institutions is also low, because the institutions are banks with high credit-ratings.

Maximum exposure to credit risk before collateral held or other credit enhancements

The maximum exposure to credit risk represents a worst case scenario of credit risk exposure to the company at the comparative end of reporting periods, without taking account of any collateral held or other credit enhancements attached. For assets carried on the statement of financial position, this exposure is based on net carrying amounts as reported.

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The company's operations are such that mismatch of assets and liabilities according to their maturity profiles cannot be avoided. However; management ensures that the mismatch is controlled in line with allowable risk levels.

FINANCIAL RISK MANAGEMENT (Continued)

20 FINANCIAL RISK MANAGEMENT (Continued)

(c) Market risk

- *Foreign exchange risk*

The company undertakes 90% of its transactions denominated in, mainly, US Dollars and other foreign currencies. Exchange rate exposures are managed within approved policy parameters.

(d) Market risk

-Interest rate risk

Interest rate risks arise from fluctuations in the bank borrowing rates. The interest rates vary from time to time depending on the prevailing economic circumstances. The company closely monitors the interest rate trends to minimize the potential adverse impact of interest rate changes.

(e) Capital Management

The company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the company consists of debt, which includes cash and cash equivalents and equity attributable to equity holders, comprising issued capital and retained earnings.

The company is not subject to any externally imposed capital requirements.

The company was not geared as at 31 March 2016 (2015: Nil).

21. ULTIMATE HOLDING COMPANY

The company is a subsidiary of Redington Gulf FZE, a company incorporated and domiciled in Dubai, United Arab Emirates. The ultimate holding company is Redington (India) Limited, a company incorporated in India.

22. CONTINGENT LIABILITIES

The company did not have any contingent liabilities as at 31 March 2016 is NIL (2015: Nil).

Cadensworth United Arab Emirates LLC
Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	**Note.No**	**As at 31.3.2016**	**As at 31.3.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	6	5,411,250.00	5,104,500.00
	(b) Reserves and surplus	7	43,668,264.41	29,068,306.90
			49,079,514.41	**34,172,806.90**
2	**Current liabilities**			
	(a) Trade payables	8	5,777,266.95	54,703.23
	(b) Other current liabilities	9	7,382,130,929.55	17,784,231.14
			7,387,908,196.50	**17,838,934.36**
	TOTAL		**7,436,987,710.91**	**52,011,741.26**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	Fixed Assets-Tangible assets	13	497,275.84	27,581.32
			497,275.84	**27,581.32**
2	**Current assets**			
	(a) Inventories	10	1,992,305,529.34	7,999,517.18
	(b)Trade receivables	11	515,173,637.06	41,963,703.16
	(c) Cash and cash equivalents	12	5,665,326.23	408.36
	(d) Short-term loans and advances	14	4,923,345,942.45	2,020,531.25
			7,436,490,435.08	**51,984,159.94**
	TOTAL		**7,436,987,710.91**	**52,011,741.26**

Cadensworth United Arab Emirates LLC
Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note.No	31st March,2016	31st March,2015
		2015-16	2014-15
Income			
Revenue from operations	15	4,927,887,646.02	304,125,904.46
Other income		-	-
Total Revenue		**4,927,887,646.02**	**304,125,904.46**
Expenses:			
Purchases of trading stock		6,766,933,584.56	301,897,071.41
Changes in inventories of trading stock		(1,871,697,555.62)	(7,999,517.18)
Depreciation & Amortisation	13	23,929.40	16,215.79
Other expenses	16	19,940,510.46	8,041,249.86
Total expenses		**4,915,200,468.80**	**301,955,019.89**
Profit before tax		**12,687,177.22**	**2,170,884.57**
Profit after Tax		**12,687,177.22**	**2,170,884.57**

Cadensworth United Arab Emirates LLC
Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**12,687,177.22**		**2,170,884.57**	
Adjustments for:				
- Depreciation and provision	23,929.40		16,215.79	
Operating Profit before working capital changes	**12,711,106.62**		**2,187,100.36**	
Increase in Trade receivables	(473,209,933.91)		27,620,283.41	
(Increase)/Decrease in Loans & advances and Other current assets	(4,921,325,411.20)		2,665,544.31	
Increase in Inventories	(1,984,306,012.16)		(1,610,889.68)	
Increase in Trade Payables, Other Current Liabilities & Provisions	7,370,069,262.14		(32,227,227.52)	
Cash generated from operations	**3,939,011.49**		**(1,365,189.12)**	
Net Cash (used in) / generated from operating activities		**3,939,011.49**		**(1,365,189.12)**
Cash flow from investing activities:				
Purchase of fixed assets	(485,923.56)			
Net Cash used in investing activities		**(485,923.56)**		**-**
Cash flow from financing activities:				
Net Cash generated from financing activities		**-**		**-**
Net (decrease) / increase in cash and cash equivalents		**3,453,087.93**		**(1,365,189.12)**
Cash and cash equivalents at the beginning of the year		**408.35**		**-**
Currency Translation Adjustment		2,211,829.95		1,365,597.47
Cash and cash equivalents at the end of the year		**5,665,326.23**		**408.35**

Cadensworth United Arab Emirates (LLC)
Dubai - United Arab Emirates
Financial Statements for the year ended March 31, 2016

1. Status and operations

Cadensworth United Arab Emirates (LLC) (the 'Company'), was incorporated on April 23, 2009 as a limited liability company.

The Company is an authorized distributor of information technology products and spare parts for global vendors in the Middle East.

The registered address of the Company is P.O. Box 12816, Dubai, United Arab Emirates (UAE).

2. Application of new and revised International Financial Reporting Standards ("IFRS").

2.1 New and revised IFRS applied with no material effect on the financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after
1 January 2015, have been adopted in these financial statements. The application of these new and revisedIFRS has not had any material impact on the amounts reported for the current and prior years but may affectthe accounting for future transactions or arrangements.

- Annual Improvements to IFRSs 2010-2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Annual Improvements to IFRSs 2011-2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Amendments to IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

2.2 New and revised IFRS in issue but not yet effective and not early adopted
The Company has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRS	**Effective forannual periods beginning on or after**
• IFRS 14 Regulatory Deferral Accounts	1 January 2016
• Amendments to IAS 1 Presentation of Financial Statements relating to Disclosure initiative.	1 January 2016
• Amendments to IFRS 11 Joint arrangements relating to accounting for acquisitions of interests in joint operations.	1 January 2016
• Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortization.	1 January 2016
• Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture relating to bearer plants.	1 January 2016
• Amendments to IAS 27 Separate Financial Statements relating to accounting investments in subsidiaries, joint ventures and associates	

to be optionally accounted for using the equity method in separate financial statements. 1 January 2016

- Annual Improvements to IFRSs 2012 - 2014 Cycle that include amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34. 1 January 2016
- Amendments to IAS 16 and IAS 38 to clarify the acceptable methods of depreciation and amortization. 1 January 2016
- Amendments to IFRS 11 to clarify accounting for acquisitions of Interests in Joint Operations. 1 January 2016
- Amendments to IAS 16 and IAS 41 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16. 1 January 2016
- Amendments to IFRS 10 and IAS 28 clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business. 1 January 2016
- Amendments to IAS 27 allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements. 1 January 2016
- IFRS 16 Leases: IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. 1 January 2019
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture. Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements for the year beginning 1 April 2016 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the financial statements of the Company in the year of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Company's financial statements for the annual year beginning 1 April 2018 and IFRS 16 will be adopted for the annual year beginning 1 April 2019. The application of IFRS 9, IFRS 15 and IFRS 16 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of revenue from contracts with customers, the Company's financial assets and financial liabilities and leases. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Company performs a detailed review.

2. Significant accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

The financial statements are prepared in accordance with the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The significant accounting policies adopted are set out below

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes purchase cost and other related expenses incurred in bringing the inventories to their present condition and location. Costs of inventories are determined on a first-in-first-out (FIFO) basis. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Equipments

Equipments are stated at cost less accumulated depreciation and any identified impairment loss. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives using the straight-line method as follows:

	Years
Computers	5

The estimated useful lives and depreciation method is reviewed at each year end, with the effect of any changes in estimate accounted for as a prospective basis.

An item of equipments is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of equipments is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss .

Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns, rebates and other similar allowances.

2. Significant accounting policies (continued)

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and,
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Service income is recognised when the service is rendered.

Foreign currencies

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates. For the purpose of the financial statements, the results and financial position of the Company are expressed in Arab Emirates Dirhams, which is the functional currency of the Company, and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are included in profit or loss

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets held by the Company are classified as loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including trade and other receivables (excluding prepayments), bank balances and cash and amounts due from related parties are measured at amortised cost using the effective interest method, less any impairment.

2. Significant accounting policies (continued)

Financial instruments - continued

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables are measured at their amortized.

Due from a related party

Due from a related party is measured at amortized cost.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments

Classification as debt and equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities ‘at FVTPL’ or ‘other financial liabilities’. All financial liabilities held by the Company are classified as other financialliabilities.

Other financial liabilities

Other financial liabilities, including trade and other payables (excluding advances received from customers) and amounts due to related parties are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of comprehensive income.

3. Critical judgments and key sources of estimation uncertainty in applying the Company's accounting policies

Critical judgments in applying the Company's accounting policies

The following are the critical judgments (apart from those involving estimations, which are dealt with below) that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Warranties

The Company's Original Equipment Manufacturer ("OEM") suppliers generally warrant the products distributed by the Company. The Company generally does not independently warrant the products it distributes and management does not consider that any provisions for warranties or claims are required.

Revenue recognition

Management has considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 *Revenue* and in particular whether the Company had transferred the risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability for the goods sold, the management is satisfied that the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Critical judgments and key sources of estimation uncertainty in applying the Company's accounting policies (continued)

***Key sources of estimation uncertainty** – continued*

Allowance for slow-moving inventories

Inventories are stated at the lower of cost and net realizable value. Adjustments to reduce the cost of inventory to its net realizable value, if required, are made at the product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and quality issues. Based on the above factors, the Company has arrived at certain percentages for allowance for slow-moving inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

Allowance for doubtful debts – specific

Allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of the receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances. Also, specific allowances for individual accounts are recorded when the Company becomes aware of the customer's inability to meet its financial obligations such as in the case of deterioration in the customer's operating results or financial position..

Equipments

The cost of equipment is depreciated over the estimated useful life of the asset. The estimated useful life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors. Management has not considered any residual value as it is considered immaterial.

Allocation of expenses

Expenses which are jointly incurred by related entities and cannot be charged directly to the Company are allocated to the Company on the basis of predetermined rates. The predetermined rates are estimated by the management on the basis utilization of the resources.

4. Statutory reserve

Statutory reserve is created by allocating 10% of the net profit of the year of the Company as required by Article 255 of the U.A.E. Federal Commercial Companies Law No. 8 of 1984, as amended, until the reserve reached 50% of its paid-up share capital. The reserve is not available for distribution except as provided in the Federal Commercial Companies Law. No transfer has been made for the current year as the reserve has reached 50% of its paid-up share capital..

5. Related party transactions

a) The immediate parent and ultimate controlling party of the Company is Redington Gulf FZE (incorporated in Jebel Ali Free Zone, Dubai). The ultimate controlling party is Redington (India) Limited.

b) The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard No. 24: Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control and key management personnel. Management decides on the terms and conditions and of services received from/rendered to related parties as well as on other charges.

c) At the reporting date, balances with related parties were as follows:

	2016 INR	2015 INR
Due from a related party		
Entity under common Management /control	49209,31,623.08 -	-
Due to related parties		
Entities under common Management /control	73821,30,929.55	17,784,231.13

d) The following is a summary of transactions with related parties, which are included in the financial statements:

	2016 INR	2015 INR
Sales to entities under common ownership or control	11422,10,713.09	24,046,699.61
Purchases from entities under common ownership/control	74316,24,561.86	298,877,266.50
Rebates received from Parent Company	5933,38,807.69	83,24,326.92
License fees recharged from a related party under common ownership/control (Note 12)	-	167518.76
Allocation of other expenses recharged from a related party under common ownership/control (Note 12)	48,36,534.75	367718.82

e) Long term benefits of the employees of the company are borne by the parent Company and are not recharged to the Company.

f) Key management remuneration

Key management remunerations are paid by the parent company and are not recharged to the Company.

Cadensworth United Arab Emirates (LLC)
Dubai - United Arab Emirates
Notes to the Financial Statements for the year ended March 31, 2016

6. Share Capital:

Amount in `

Particulars	31-Mar-16	31-Mar-15
Issued, Subscribed and Paid up	54,11,250.00	5,104,500.00

7. Reserves and Surplus:

Amount in `

(a) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	156,27,861.88	13,456,977.31
Add: Current year profit	126,87,177.22	2,170,884.57
Less: Transferred to:		
Proposed Dividend	-	-
Closing Balance	**283,15,039.10**	**15,627,861.88**
(b) Employee share purchase reserve*		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	25,52,250.00	2,446,875.00
CTA	1,53,375.00	105,375.00
Closing balance	**27,05,625.00**	**2,552,250.00**
(c) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	108,88,195.02	9,837,256.38
Movement during the year	17,59,405.29	1,050,938.64
Closing balance	**126,47,600.31**	**10,888,195.02**
Total	**436,68,264.41**	**29,068,306.90**

8. Trade Payables:

Amount in `

Particulars	31-Mar-16	31-Mar-15
(a) Trade Payables	7,05,067.84	54,703.23
(b) Expense Payable	14,43,000.00	-
(e) Other Payables	36,29,199.11	-
Total	**57,77,266.95**	**54,703.23**

9. Other Current Liabilities:

Amount in `

Particulars	31-Mar-16	31-Mar-15
Due to related parties	73821,30,929.55	17,784,231.14

10. Inventories:

Amount in `

Particulars	31-Mar-16	31-Mar-15
Trading Stocks	19923,05,529.34	7,999,517.18
Total	**19923,05,529.34**	**7,999,517.18**

11. Trade receivables:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured, considered good	5151,73,637.06	419,63,703.16

12. Cash and Cash Equivalents:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	14,21,427.15	408.36
(b) Balances with banks	42,43,899.08	-
Total	**56,65,326.23**	**408.36**

13. Fixed Assets: Tangible Assets

Amount in `

Particulars	**Computers**	**Total**
Cost		
As at 01.04.15	**1,52,369.33**	1,52,369.33
Additions	4,85,923.56	4,85,923.56
Translation adjustments	15,512.37	15,512.37
As at 31.03.16	**6,53,805.26**	**6,53,805.26**
Accumulated Depreciation		
As at 01.04.15	**1,24,788.01**	1,24,788.01
Additions	23,929.40	23,929.40
Translation adjustments	7,812.01	7,812.01
As at 31.03.16	**1,56,529.43**	**1,56,529.43**
Carrying Amount		
As at 01.04.15	**27,581.32**	**27,581.32**
As at 31.03.16	**4,97,275.84**	**4,97,275.84**

14. Short term Loans and advances:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
(a)Loans and advances to related Parties	49209,31,623.08	-
(b) Security deposits	18,03,750.00	1,701,500.00
(c) Prepaid expenses	6,10,569.38	319,031.25
Total	**49233,45,942.45**	**2,020,531.25**

15. Revenue from Operations:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
Sales	49278,87,646.02	304,125,904.46
Supplier Rebates	-	-
Total	**49278,87,646.02**	**304,125,904.46**

16. Other Expense:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
Repairs and Maintenance	2,670.69	123,732.80
Freight	-	-
Provision for Doubtful receivables	151,04,794.73	7,127,205.47
Cash discount paid	-	-
Miscellaneous Expenses	48,33,045.04	790,311.60
Total	**199,40,510.46**	**8,041,249.86**

17. Financial instruments

a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

b) Categories of financial instruments

		2016 INR	2015 INR
Financial assets			
Loans and receivables (including cash and cash equivalents)		-5226,42,713.29	43,665,611.52
Financial liabilities			
At amortized cost	-	7387908197	17838934.36

c) Fair Value

The fair value of financial assets and financial liabilities approximate the carrying values as of 31 March 2016 as these assets and liabilities are substantially due to be realized and settled within a period of one year in the normal course of the Company's business

18. Financial Risk Management

The financial risk management policies are discussed by the management of the Company on a regular basis to ensure that these are in line with the overall business strategies and its risk management philosophy. Management sets policies which seek to minimize potential adverse effects of financial performance of the Company. The Management provides necessary .

guidance/instructions to the employees covering specific areas, such as market risk (foreign exchange and interest rate risk), credit risk and liquidity risk.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

a) Foreign currency risk management

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirhams (AED).

b) Interest rate risk management

As at 31 March 2016, the Company does not have any significant exposure to interest rate risk.

c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's funding and liquidity management requirements. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Liquidity risk tables
The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted financial liabilities based on the earliest date on which the Company can be required to pay.

	Less than 1 year INR	**Total INR**
2016		
Non-interest bearing instruments	7,38,35,79,197	7,38,35,79,197
2015		
Non-interest bearing instruments	178,38,934.36	178,38,934.36

The following tables detail the Company's remaining contractual maturity for its non-derivative financial assets. The tables have been drawn up based on the cash flows of financial assets based on the earliest date on which the Company can collect:

	Less than 1 year INR	Total INR
2016		
Non-interest bearing instruments	54435, 74,336.36	54435, 74,336.36
2015		
Non-interest bearing instruments	436, 65,611.52	436, 65,611.52

d) Credit risk management

Credit risk arises from credit exposure to outstanding trade receivables. The management of the Company has implemented centralised procedures for credit control. Credit risk is minimised through credit insurance and a conservative credit policy. Individual counter-party limits are set in accordance with the credit policy. The Company's exposure to credit risk is closely monitored and the aggregate value of transactions concluded is spread amongst counter-parties. Credit exposure is controlled by counter-party limits that are reviewed and approved by the management regularly. Due to the risk on transactions in the countries in which the Company operates, management will, based on past experience and level of risk associated with these transactions, make an allowance for losses on such transactions should they consider it necessary.

The credit risk on liquid funds is limited because the counterparties are reputable banks registered in the U.A.E.

Further details of credit risk on trade receivables are discussed in Note 8 to the financial statements.

19. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the equity balance.
The capital structure of the Company consists of equity comprising issued capital, reserves and retained earnings.

20. Approval of financial statements

The financial statements for the year ended March 31, 2016 were approved and signed by the Director on May ,24, 2016.

REDINGTON TANZANIA LTD
Standalone Balance Sheet as at 31 March,2016

	Particulars	Note.No	As at 31.03.2016	As at 31.03.2015
			Amount in ₹	
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	5	3,580.00	3,380.00
	(b) Reserves and surplus	6	4,396,490.60	2,729,789.40
			4,400,070.60	**2,733,169.40**
	Money received against share warrants			
2	**Current liabilities**			
	(a) Short-term borrowings		-	-
	(a) Trade payables	8	8,565,114.20	52,959,327.20
	(b) Other current liabilities	9	295,545,575.40	245,562,441.80
	(c) Short-term provisions	7	-	1,652,144.00
			304,110,689.60	**300,173,913.00**
	TOTAL		**308,510,760.20**	**302,907,082.40**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	Fixed assets- (i)Tangible assets	14	7,036,633.20	4,614,883.00
	(ii) Intangible assets		8,663.60	24,809.20
	(iii)Capital work-in-progress			
	(iv)Goodwill on consolidation			
	(b) Non-current investments		-	-
	(b) Goodwill			
	(c)Deferred tax assets (net)		-	1,167,823.80
	(d) Long-term loans and advances		-	
	(e) Long term receivables under financing activity			
			7,045,296.80	**5,807,516.00**
2	**Current assets**			
	(a) Inventories	10	66,777,775.80	56,158,091.60
	(b)Trade receivables	11	169,329,704.00	222,557,283.00
	(c) Cash and cash equivalents	12	11,562,182.80	18,384,191.80
	(d) Short-term loans and advances	13	53,795,800.80	-
			301,465,463.40	**297,099,566.40**
	TOTAL		**308,510,760.20**	**302,907,082.40**
	See accompanying notes forming part of Balance Sheet			

REDINGTON TANZANIA LTD

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note.No	31st March,2016	31st March,2015
		2015-16	2014-15
Income			
Revenue from operations	15	1,148,747,448.00	732,152,443.99
Other income	16	8,056.00	10,366.21
Total Revenue		**1,148,755,504.00**	**732,162,810.20**
Expenses:			
Cost of Materials consumed			
Purchases of trading stock		67,201,748,337.65	643,372,005.12
Changes in inventories of trading stock		(66,121,032,631.65)	13,378,545.19
Employee benefits	17	22,394,388.00	13,824,970.01
Finance costs	18	-	27,952,281.76
Depreciation & Amortisation	14	2,582,252.00	2,038,197.30
Other expenses	19	40,634,274.00	31,116,485.95
Total expenses		**1,146,326,620.00**	**731,682,485.33**
Profit before tax		**2,428,884.00**	**480,324.87**
Tax expense:			
Current tax		1,208,970.00	370,170.46
Profit after Tax		**1,219,914.00**	**110,154.41**
Profit for the Year		**1,219,914.00**	**110,154.41**
See accompanying notes forming statement of Profit and Loss			

REDINGTON TANZANIA LTD

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**2,428,884.00**		**480,324.87**	
Adjustments for:				
- Depreciation	2,582,252.00		2,038,197.30	
Operating Profit before working capital changes	**5,011,136.00**		**2,518,522.17**	
Increase in Trade receivables	53,227,579.00		(60,096,653.90)	
(Increase)/Decrease in Loans & advances and Other current assets	(52,627,977.00)		93,287.70	
Increase in Inventories	(10,619,684.20)		46,384,278.40	
Increase in Trade Payables, Other Current Liabilities & Provisions	3,936,776.60		16,056,522.03	
Cash generated from operations	**(1,072,169.60)**		**4,955,956.39**	
Direct taxes paid	(1,208,970.00)		(370,170.46)	
Net Cash (used in) / generated from operating activities		**(2,281,139.60)**		**4,585,785.93**
Cash flow from investing activities:				
Purchase of fixed assets	(4,844,278.00)		(2,207,858.76)	
Proceeds from sale of fixed assets	-			
Net Cash used in investing activities		**(4,844,278.00)**		**(2,207,858.76)**
Cash flow from financing activities:				
Net Cash generated from financing activities		-		-
Net (decrease) / increase in cash and cash equivalents		**(7,125,417.60)**		**2,377,927.17**
Cash and cash equivalents at the beginning of the year		**18,384,191.80**		**15,855,014.87**
Currency Translation Adjustment		303,408.59		151,249.76
Cash and cash equivalents at the end of the year		**11,562,182.80**		**18,384,191.80**

REDINGTON TANZANIA LIMITED

REPORTS AND FINANCIAL STATEMENTS

31 MARCH 2016

CORPORATE INFORMATION

DIRECTORS	Raj Shankar	Indian
	Sriram Ganeshan	Indian
SECRETARY	Livingstone Registrars (Tanzania) Limited P.O. Box 1559 Dar es Salaam	
REGISTERED OFFICE	Plot No 598, Shop No 11A Swiss Tower, United Nations Road Upanga P.O. Box 1559 Dar es Salaam	
AUDITORS	Deloitte & Touche Certified Public Accountants (Tanzania) 10th Floor, PPF Tower Cnr of Ohio Street & Garden Avenue P.O. Box 1559 Dar es Salaam	
BANKERS	Barclays Bank Tanzania Barclays House, Ohio street P.O. Box 5137 Dar es Salaam	

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report together with the audited financial statements for the 12 months period ended 31 March 2015 which disclose the state of affairs of the company.

INCORPORATION
The company was registered in Tanzania on 13 August 2009 under the Companies Act 2002 vide certificate of incorporation number 72431.

ACTIVITIES
The company's principal activity is importation and distribution of information technology equipment and after sale services of information technology equipment.

RESULTS
The results for the year are set out in the financial statements.

DIVIDENDS
The directors do not recommend the payment of a dividend in respect of the year 2016

SOLVENCY
The state of affairs of the company is the financial statements. The directors consider the company to be solvent within the meaning ascribed by the Tanzanian Companies Act 2002.

DIRECTORS
The current members of the board are shown in the financial statements.

DIRECTORS' INTEREST IN THE SHARES OF THE COMPANY
The directors do not hold any direct beneficial interest in the issued share capital of the company

RELATED PARTY TRANSACTIONS
Details of transactions and balances with related parties are included in notes to the financial statements.

EMPLOYEE MATTERS
Management/employee relationships remained cordial throughout the year. The company provides training to its employees as and when required.

AUDITORS
Deloitte & Touche, having expressed their willingness continue in office in accordance with section 170(2) of the Companies act, 2002.

BY ORDER OF THE BOARD

Raj Shankar
Director

Dar-es-Salaam

May,24, 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act 2002 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002 and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Companies Act 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.

Sd:-	**Sd:-**
Raj Shankar	Sriram Ganeshan
Director	**Director**

May,24,2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REDINGTON TANZANIA LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Redington Tanzania Limited set which comprise the statement of financial position as at 31 March 2016, statement of comprehensive income, statement of changes in equity and statement of cash flows for the 12 months period then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of the financial statements that give true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002 and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of financial affairs of the company as at 31 March 2016 and of its profit and cash flows for the 12 months period then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Companies Act 2002.

Report on other legal requirements

As required by the Tanzania Companies Act 2002 we report to you, based on our audit, that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and

ii) The company's balance sheet and income statement are in agreement with the books of account.

Certified Public Accountants (Tanzania)	**Sd:-**	**Sd:-**
Dar es Salaam	Raj Shankar	Sriram Ganeshan
Signed by: D. C. Nchimbi	**Director**	**Director**
May,24,.2016		

1. GENERAL INFORMATION

Redington Tanzania Limited is a 99% owned subsidiary of Redington Gulf FZE incorporated in Tanzania. The addresses of its registered office and principal place of business are disclosed in the corporate information page of this report. The principal activities of the company are described in the directors' report.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

a. Standards and interpretations effective in the current period affecting the amounts reported

Amendments to IAS 1 *Presentation of Financial Statements (as part of Improvements to IFRSs issued in 2010)*	The amendments to IAS 1 clarify that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements. In the current year, the company has chosen to present such an analysis in the statement of changes in equity. Such amendments have been applied retrospectively, and hence the disclosures in these financial statements have been modified to reflect the change (see the statement of changes in equity).
IAS 24 *Related Party Disclosures (as revised in 2009)*	IAS 24 (as revised in 2009) has been revised on the following two aspects: (a) IAS 24 (as revised in 2009) has changed the definition of a related party and (b) IAS 24 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities. The Company is not government-related entities. The application of the revised definition of related party set out in IAS 24 (as revised in 2009) in the current year has not resulted in the identification of related parties that were not identified as related parties under the previous Standard.
Amendments to IAS 32 *Classification of Rights Issues*	The amendments address the classification of certain rights issues denominated in a foreign currency as either equity instruments or as financial liabilities. Under the amendments, rights, options or warrants issued by an entity for the holders to acquire a fixed number of the entity's equity instruments for a fixed amount of any currency are classified as equity instruments in the financial statements of the entity provided that the offer is made pro rata to all of its existing owners of the same class of its non-derivative equity instruments. Before the amendments to IAS 32, rights, options or warrants to acquire a fixed number of an entity's equity instruments for a fixed amount in foreign currency were classified as derivatives. The amendments require retrospective application. The application of the amendments has had no effect on the amounts reported in the current and prior years because the Company has not issued instruments of this nature.

Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement*	IFRIC 14 addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of IAS 19; how minimum funding requirements might affect the availability of reductions in future contributions; and when minimum funding requirements might give rise to a liability. The amendments now allow recognition of an asset in the form of prepaid minimum funding contributions. The application of the amendments has had no effect on the financial statement because the Company has not made contributions to a funded benefit plan

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (Continued)

a. Standards and interpretations effective in the current period affecting the amounts reported (Continued)

IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*	The Interpretation provides guidance on the accounting for the extinguishment of a financial liability by the issue of equity instruments. Specifically, under IFRIC 19, equity instruments issued under such arrangement will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the consideration paid will be recognised in profit or loss. The application of IFRIC 19 has had no effect on the amounts reported in the current and prior years because the company has not entered into any transactions of this nature.
Improvements to IFRSs issued in 2010	Except for the amendments to IFRS 3 and IAS 1 described earlier in section 2.1, the application of *Improvements to IFRSs* issued in 2010 has not had any material effect on amounts reported in the financial statements.

b. New and amended standards in issue but not yet effective in the year ended 31 March 2016

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRS 7	Disclosures – Transfers of Financial Assets
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
Amendments to IAS 12	Deferred Tax – Recovery of Underlying Assets
IAS 19 (as revised in 2011)	Employee Benefits
IAS 27 (as revised in 2011)	Separate Financial Statements
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures

Amendments to IFRS 7, Disclosures – Transfers of Financial Assets

The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors do not anticipate that these amendments to IFRS 7 will have a significant effect on the company's disclosures regarding transfers of trade receivables previously affected. However, if the Company enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

IFRS 9, Financial Instruments

IFRS 9 issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in October 2010 includes the requirements for the classification and measurement of financial liabilities and for de-recognition.

Key requirements of IFRS 9 are described as follows:

- IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

IFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (Continued)

b. New and amended standards in issue but not yet effective in the year ended 31 March 2014 (Continued)

The directors anticipate that IFRS 9 will be adopted in the Company's financial statements for the annual period beginning 1 January 2015 and that the application of IFRS 9 may have significant impact on amounts reported in respect of the Company's financial assets and financial liabilities. However it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

IFRS 10, Consolidated Financial Statements

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation – Special Purpose Entities has been withdrawn upon the issuance of IFRS 10. Under IFRS 10, there is only one basis for consolidation that is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios

IFRS 11, Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Ventures' has been withdrawn upon the issuance of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

IFRS 12, Disclosure of Interests in Other Entities

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted provided that all of these five standards are applied early at the same time

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (Continued)

b. New and amended standards in issue but not yet effective in the year ended 31 March 2014 (Continued)

IFRS 13, Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 *Financial Instruments: Disclosures* will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.

The Directors anticipate that IFRS 13 will be adopted in the Company's financial statements for the annual period beginning 1 January 2014 and that the application of the new Standard may affect the amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

IAS 1, Presentation of financial statements

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.
The amendments to IAS 1 are effective for annual periods beginning on or after 1 July 2012. Adoption of the amendments to IAS 1, will not lead to changes in presentation of the company's financial statements.

IAS 12, Income taxes
The amendments to IAS 12 provide an exception to the general principles in IAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (Continued)

b. New and amended standards in issue but not yet effective in the year ended 31 March 2012 (Continued)

The amendments to IAS 12 are effective for annual periods beginning on or after 1 January 2012. Amendments to IAS 12 in future accounting periods will not have effect to the deferred tax liabilities because the company does not have investment properties.

IAS 19, Employee benefits

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to IAS 19 are effective for annual periods beginning on or after 1 January 2014 and require retrospective application with certain exceptions. The directors anticipate that the amendments to IAS 19 will be adopted in the Company’s financial statements for the annual period beginning 1 January 2014 and that the application of the amendments to IAS 19 may have impact on amounts reported in respect of the Company’s’ defined benefit plans.

IAS 32, Financial instruments: Presentation

The amendments to IAS 32, IAS 32 prescribe rules for the offsetting of financial assets and financial liabilities. The amendments specify that a financial asset and a financial liability should be offset and the net amount reported when and only when, an entity:

- has a legally enforceable right to set off the amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The amendments to IAS 32 are effective for annual periods beginning on or after 1 January 2014. The directors anticipate that the amendments to IAS 32 will be adopted in the Company’s financial statements for the annual period beginning 1 January 2014 and that the application of the amendments to IAS 32 may not have impact on the presentation of financial assets and liabilities of the company.

c. Early adoption of standards

The Company did not early-adopt any new or amended standards in 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are stated below:

Statement of compliance

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS).

For the Companies Act, 2002 reporting purposes, in these financial statements the balance sheet is represented by the statement of financial position and the profit and loss account is included in the statement of comprehensive income.

The significant accounting policies adopted in preparation of these financial statements remain unchanged from previous year and are set out below:

Basis of preparation

The financial statements have been prepared under the historical cost basis of accounting as modified by revaluation of certain financial instruments which are accounted for at fair value on the assumptions that the company will continue trading as a going concern for the foreseeable future.

Revenue recognition

Revenue is recognised upon the delivery and acceptance of products by customers and represents the value of goods invoiced to customers during the year net of value added tax, sales returns and trade discounts.

Taxation

The income tax expense represents the sum of the current tax payable and the deferred taxation. Current taxation is provided on the basis of the results for the year, as shown in the financial statements, adjusted in accordance with tax legislation.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated to write off the cost of the equipment in equal annual instalments over their estimated useful lives. The annual rates in use are:

Motor vehicles	30%
Furniture and fittings	20%
Computers	20%
Office equipment	12.5%

Intangible assets

Intangible assets represent computer software and are stated at cost less the amortised value.
Amortisation is calculated to write off the cost of computer software on a straight line basis over its estimated useful life of eight years. The annual rate in use is 12.5%.

Inventories

Inventories are stated at the lower of purchase cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods comprises direct purchase cost, insurance, freight and other incidental costs. Net realisable value is the estimate of the selling price in the ordinary course of business. Specific provision is made for obsolete, slow moving and defective inventories.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the lessee.

All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease.

Assets acquired under finance leases are capitalised at the dates of the agreements. The interest element of each instalment is charged to profit or loss at the time that each instalment falls due.

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into Indian Rupee at the rates of exchange ruling at year end. Transactions during the period are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are dealt with in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company has become party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on the review of all outstanding amounts at the year end. Bad debts are written off when all reasonable steps to recover them have failed.

Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Trade payables

Trade payables are stated at their nominal value.

Accrued leave pay

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to year end.

Retirement benefits obligations

The company and its employees contribute to the National Social Security Fund, which is a defined contribution scheme. The company's contributions are charged to the profit or loss account in the year to which they relate. The company has no further obligation once the contributions have been paid.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and bank balances net of outstanding bank overdrafts.

4.CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTIES

In the process of applying the company's accounting policies, the directors have made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key areas of judgment in applying the company's accounting policies and key sources of estimation uncertainty are set out below:

Property and equipment

Critical estimates are made by the company management, in determining useful lives and depreciation rates for plant and equipment.

Impairment losses

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Classification of financial assets and liabilities

Critical judgments are made by the company in classifying its financial assets and liabilities.

Provisions and contingent liabilities

The company reviews its obligations at the end of each reporting period to determine whether provisions need to be made and if there are any contingent liabilities.

Taxation

The company is subjected to a numerous taxes and levies by various government and quasi-government regulations bodies. As a rule of thumb, the company recognises liabilities for the anticipated tax/levies payable with utmost care and diligence. However, significant judgement is usually required in the interpretation and applicability of those taxes/levies. Should it come to the attention of managements in one way or other, that the initially recorded liability was erroneous, such differences will impact on the income and liabilities in the period in which such differences are determined.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's activities expose it to a variety of financial risks, including credit risk and the effects of changes in foreign currency exchange rates and interest rates. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by the finance department under policies approved by the Board of Directors. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, and services offered. The company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees/ and stakeholders understand their roles and obligations.

The most important types of risks are:

- Credit risk
- Liquidity risk
- Market risk which is mainly due to foreign exchange risk and interest rate risk

A description of the significant risk factors is given below together with the risk management policies applicable.

Credit risk

Potential concentration of credit risk consists principally of trade and other receivables. Trade receivables comprise a large and widespread customer base and the company performs ongoing credit evaluations on the financial condition of its customers. The company did not consider there is any significant concentration of credit risk which had not been adequately provided for. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the companies' management based on prior experience and the current economic environment. The carrying amount of financial assets represents the maximum credit exposure. Portion of debt that is impaired has been fully provided for. However, management is actively following up recovery of the impaired debt. In determining the recoverability of a trade receivable, the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts already recognised.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the entity could be required to pay its liabilities earlier than expected.
The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained. The directors may from time to time at their discretion raise or borrow monies for the company as they deem fit. There are no borrowing limits in the articles of association of the company.

Market risk

(i) Interest rate risk
The company had no loan as at 31 March 2016

(ii) Foreign exchange risk
The company’s costs and expenses are principally incurred in Indian Rupee Dollars .The Company does not enter into a formal hedging transaction in respect of these transactions. Volatility in the exchange rate of INR against USD would make the company's costs and results less predictable than when exchange rates are more stable.

Capital risk management

The company’s objectives when managing capital are to safeguard the company’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may sell assets to reduce debt. The company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the company. The Board of Directors reviews the capital structure on a regular basis. As part of this review, the board considers the cost of capital and the risks associated with each class of capital. Based on the review, the Company analyses and assesses the gearing ratio to determine the level and its optimality.

5. **Share Capital:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up	3,580.00	3,380.00

6. **Reserves and Surplus:**

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	27,44,739.46	2,634,585.05
Add: Current year profit	12,19,914.00	110,154.41
Closing Balance	**39,64,653.46**	**2,744,739.45**
(b) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	(14,950.06)	201,172.95
Movement during the year	4,46,787.20	(216,123.01)
Closing balance	**4,31,837.14**	**(14,950.06)**
Total	**43,96,490.60**	**2,729,789.40**

7. **Short-term Provisions:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Provision for taxation	-	1,652,144.00

8. **Trade Payables.**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Trade Payables	28,09,226.00	1,314,651.00
Expense Payable	31,39,803.20	51,644,676.20
Other payables	26,16,085.00	-
Total	**85,65,114.20**	**52,959,327.20**

9. **Other Current liabilities**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Due to related parties*	2955,45,575.40	245,562,441.80

10. Inventories

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Trading Stocks	658,73,074.00	56,158,091.60
Goods In Transist	9,04,701.80	-
Total	**667,77,775.80**	**56,158,091.60**

11. Trade receivables

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured, considered good	1693,29,704.00	222,557,283.00
Total	**1693,29,704.00**	**222,557,283.00**

12. Cash and Cash Equivalents

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Cash on hand	1,46,780.00	18,384,191.80
Cash at Bank	114,15,402.80	
Total	**115,62,182.80**	**18,384,191.80**

13. Short Term Loans and Advances

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Loans and advances to related parties	312,17,635.80	-
(b) Loans and advances to employees	3,257.80	-
(c) Prepaid expenses	23,37,167.20	-
(d) Others	202,37,740.00	-
Total	**537,95,800.80**	**-**

14. Fixed Assets

a. Tangible Assets

Amount in ₹

Particulars	**Plant and Machinery**	**Furniture & Fixtures**	**Computers**	**Vehicles**	**Total**
Cost					
As at 01.04.15	18,60,656.20	45,54,279.60	9,44,879.00	22,90,964.00	**96,50,778.80**
Additions	-	6,89,548.00	36,17,600.00	5,37,130.00	48,44,278.00
Disposals	34,200.00	-	-	-	34,200.00
Translation adjustments	1,12,078.00	2,29,562.80	(1,53,530.00)	1,04,463.00	2,92,573.80
As at 31.03.16	**19,38,534.20**	**54,73,390.40**	**44,08,949.00**	**29,32,557.00**	**147,53,430.60**
Accumulated Depreciation					
As at 01.04.15	**65,910.00**	**2,714,004.80**	**608,028.20**	**1,647,952.80**	**5,035,895.80**
Additions	1,02,866.00	10,62,328.00	7,97,126.00	6,01,236.00	25,63,556.00
Disposals	34,200.00	-	-	-	34,200.00
Translation adjustments	(75.40)	99,088.80	(10,171.40)	62,703.60	1,51,545.60
As at 31.03.16	**1,34,500.60**	**38,75,421.60**	**13,94,982.80**	**23,11,892.40**	**77,16,797.40**
Carrying Amount					
As at 01.04.15	**17,94,746.20**	**18,40,274.80**	**3,36,850.80**	**6,43,011.20**	**46,14,883.00**
As at 31.03.16	**18,04,033.60**	**15,97,968.80**	**30,13,966.20**	**6,20,664.60**	**70,36,633.20**

b. Intangible Assets:

Amount in ₹

Particulars	**Software**	**Total**
Cost		-
As at 01.04.15	**49,855.00**	**49,855.00**
Additions	-	**-**
Translation adjustment	-	**-**
As at 31.03.16	2,950.00	**2,950.00**
Accumulated Depreciation	**52,805.00**	**52,805.00**
As at 01.04.15	**25,045.80**	**25,045.80**
Additions	18,696.00	**18,696.00**
Translation adjustment	-	
As at 31.03.16	399.60	**399.60**
Carrying Amount		
As at 01.04.15	**24,809.20**	**24,809.20**
As at 31.03.16	**8,663.60**	**8,663.60**

15. Revenue from Operations:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i)Sales	11487,47,448.00	732,152,443.99
(ii) Service Income	-	-
(ii) Supplier Rebates	-	-
Total	**11487,47,448.00**	**732,152,443.99**

16. Other Income:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Other income	8,056.00	10,366.21
Total	**8,056.00**	**10,366.21**

17. Employee Benefits:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Salaries and Bonus	223,94,388.00	13,824,970.01

18. Finance Costs:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i) Interest Expenses	-	27,952,281.76
Total	**-**	**27,952,281.76**

19. Other Expenses:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	42,58,242.00	-
Repairs and Maintenance	16,67,668.00	-
Utilities	5,91,280.00	-
Insurance	82,232.00	-
Distribution expenses	231,46,370.00	-
Communication	38,33,364.00	-
Printing and Stationery	3,59,366.00	-

Professional Charges	19,54,226.00	-
Auditor's Remuneration	7,75,162.00	-
Exchange Gain/(Loss) Net	32,71,838.00	-
Software Expenses	4,522.00	-
Bank Charges	4,62,878.00	-
Miscellaneous Expenses	2,27,126.00	311,16,485.95
Total	**406,34,274.00**	**311,16,485.95**

20. CONTINGENT LIABILITIES

In the opinion of the directors, the company had no contingent liabilities or commitments as at year end

21. PARENT COMPANY

The holding company is Redington Gulf FZE incorporated in The United Arab Emirates.

22. COMMITMENTS

There were no capital commitments as at 31 March 2016.

23. EVENTS SUBSEQUENT TO THE YEAR END

At the date of signing the financial statements, the directors are not aware of any other matter or circumstance arising since the end of the financial year, not otherwise dealt with in these financial statements, which significantly affected the financial position of the Company and results of its operations.

24. CURRENCY

These financial statements are presented in INR rounded to the nearest Indian Rupee which is also the functional currency.

REDINGTON MOROCCO LTD

Standalone Balance Sheet as at 31 March,2016

Amount in ₹

	Particulars	Note.No	As at 31.03.2016	As at 31.03.2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	1	2,064,030.00	1,882,860.00
	(b) Reserves and surplus	2	12,666,449.11	8,309,291.83
			14,730,479.11	**10,192,151.83**
2	**Current liabilities**			
	(a)Trade payables	3	782,082,342.51	301,974,366.52
	(b)Other current liabilities	4	7,996,820.04	5,582,271.95
	(c) Short-term provisions	5	118,934,757.05	45,298,618.98
			909,013,919.60	**352,855,257.45**
	TOTAL		**923,744,398.71**	**363,047,409.28**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets	10		
	(a) Fixed assets-Tangible assets		3,249,049.55	3,682,557.09
	(ii) Intangible assets		-	4,890.79
	(c)Deferred tax assets (net)	12	-	-
	(b) Long-term loans and advances	11	1,135,728.10	1,440,854.60
			4,384,777.65	**5,128,302.48**
2	**Current assets**			
	(a) Inventories	6	76,102,805.13	10,529,910.87
	(b)Trade receivables	7	652,513,937.92	265,328,881.74
	(c) Cash and cash equivalents	8	61,490,642.56	19,419,111.72
	(d) Short-term loans and advances	9	129,252,235.44	62,641,202.48
			919,359,621.05	**357,919,106.80**
	TOTAL		**923,744,398.70**	**363,047,409.28**

This is the Balance Sheet referred to in our report of even date

REDINGTON MOROCCO LTD

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note.No	31st March,2016 2015-16	31st March,2015 2014-15
Income			
Revenue from operations	13	1,208,523,396.03	711,915,322.89
Other income	14	10,509,821.25	1,067,134.68
Total Revenue		**1,219,033,217.27**	**712,982,457.57**
Expenses:			
Purchases of trading stock		1,190,555,656.46	495,746,874.72
Changes in inventories of trading stock		(65,572,894.27)	19,456,419.22
Employee benefits	15	25,379,207.10	30,901,761.16
Finance costs	16	9,750,284.70	115,463,923.40
Depreciation & Amortisation	10	5,961,405.36	5,553,633.90
Other expenses	17	43,417,208.88	35,957,118.89
Total expenses		**1,209,490,868.24**	**703,079,731.29**
Profit before tax		**9,542,349.04**	**9,902,726.28**
Exceptional items			-
Profit before extraordinary items and tax		**9,542,349.04**	**9,902,726.28**
Extraordinary Items			-
Profit before tax		**9,542,349.04**	**9,902,726.28**
Tax expense:			
Current tax		-	3,564,917.19
Prior year tax provisions written back			
Current tax		6,095,167.62	
Profit after Tax		**3,447,181.42**	**6,337,809.09**

REDINGTON MOROCCO LTD

Cash Flow Statement for the year ended March 31, 2015

Amount in ₹

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
Cash flow from operating activities:				
Net Profit before taxation	**9,542,349.04**		**9,902,726.28**	
Adjustments for:				
- Depreciation	5,961,405.36		5,553,633.90	
- Finance cost	9,750,284.70		115,463,923.40	
Operating Profit before working capital changes	**25,254,039.10**		**130,920,283.58**	
Increase in Trade receivables	(387,185,056.18)		313,897,746.14	
Increase in Loans & advances and Other current assets	(66,305,906.47)		8,083,571.53	
Increase in Inventories	(65,572,894.27)		19,456,419.22	
Increase in Trade Payables, Other Current Liabilities & Provisions	556,158,662.15		(380,396,502.47)	
Cash generated from operations	**62,348,844.34**		**91,961,518.00**	
Direct taxes paid	(6,095,167.62)		(3,564,917.19)	
Net Cash (used in) / generated from operating activities		**56,253,676.72**		**88,396,600.81**
Cash flow from investing activities:				
Purchase of fixed assets	(5,192,824.38)		(4,855,287.35)	
Proceeds from sale of fixed assets	-			
Net Cash used in investing activities		**(5,192,824.38)**		**(4,855,287.35)**
Cash flow from financing activities:				
Finance cost paid	(9,750,284.70)		(115,463,923.40)	
Net Cash generated from financing activities		**(9,750,284.70)**		**(115,463,923.40)**
Net (decrease) / increase in cash and cash equivalents		**41,310,567.64**		**(31,922,609.94)**
Cash and cash equivalents at the beginning of the year		**19,419,111.72**		**52,096,618.95**
Currency Translation Adjustment		760,963.20		(754,897.29)
Cash and cash equivalents at the end of the year		**61,490,642.56**		**19,419,111.72**
		0.00		0.01

REDINGTON MOROCCO LTD.

FINANCIAL STATEMENTS

31 MARCH 2016

REDINGTON MOROCCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. **Share Capital:**

Amount in

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up	20,64,030.00	1,882,860.00

2. **Reserves and Surplus:**

Amount in

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Capital reserve		
Opening balance	1,39,422.14	92,429.56
Currency translation adjustment	2,73,383.86	46,992.58
Closing Balance	**4,12,806.00**	**139,422.14**
(b) Profit and Loss Account		
Opening Balance	98,25,779.27	3,487,970.17
Add: Current year profit	34,47,181.42	6,337,809.08
Closing Balance	**132,72,960.68**	**9,825,779.26**
(c) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	(17,11,803.15)	(584,733.31)
Movement during the year	6,31,213.88	(1,127,069.84)
Closing balance	**(10,80,589.27)**	**(1,711,803.15)**
(d) Other reserve		
Opening balance		65,233.81
CTA	55,893.58	(9,340.24)
Closing balance	5,378.12	**55,893.58**
Total	**61,271.69**	**8,309,291.83**

3. **Trade Payables:**

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trade Payables		295,609,139.81
(b)Due to related parties		6,365,226.70
Total		**301,974,366.52**

4. **Other Current Liabilities :**

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
Due to related parties		5,582,271.95
Total		**5,582,271.95**

5. **Short-term Provisions:**

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
Provision For Taxation		45,298,618.98
Total		**45,298,618.98**

6. **Inventories:**

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
Trading Stocks		10,529,910.87
Total		**10,529,910.87**

7. **Trade Receivables:**

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured, considered good		265,328,881.74
Total		**265,328,881.74**

8. **Cash and Cash Equivalents:**

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
Cash on hand		44,606.02
Balances with banks		19,374,505.70
Total		**19,419,111.72**

9. Short term loans and advances to related parties:

Amount in □

Particulars	31-Mar-16	31-Mar-15
Prepaid Taxes		62,641,202.48
Total		**62,641,202.48**

10. Fixed Assets :

a. Tangible Assets:

Amount in □

Particulars	Furniture & Fixtures	Special costs	Computers	Vehicles	Total
Cost					
As at 01.04.15	9,45,829.99	46,48,914.71	47,29,022.81	13,90,368.72	117,14,136.23
Additions	3,42,964.89	19,31,940.03	27,33,495.79	-	50,08,400.72
Disposals	-	-	-	-	-
Translation adjustments	1,01,997.24	5,09,222.47	5,42,613.01	1,33,782.17	12,87,614.89
As at 31.03.16	**13,90,792.13**	**70,90,077.21**	**80,05,131.61**	**15,24,150.89**	**180,10,151.84**
Accumulated Depreciation					
As at 01.04.15	4,72,390.56	26,17,067.20	35,51,752.67	13,90,368.72	80,31,579.14
Additions	4,93,557.06	22,27,007.99	30,51,221.72	-	57,71,786.77
Translation adjustments	61,267.69	3,23,171.01	4,39,515.51	1,33,782.17	9,57,736.38
As at 31.03.16	**10,27,215.30**	**51,67,246.20**	**70,42,489.90**	**15,24,150.89**	**147,61,102.29**
Carrying Amount					
As at 01.04.15	**4,73,439.44**	**20,31,847.51**	**11,77,270.14**	**-**	**36,82,557.09**
As at 31.03.16	**3,63,576.82**	**19,22,831.01**	**9,62,641.71**	**-**	**32,49,049.55**

b. Intangible Assets:

Amount in □

Particulars	Software	Total
Cost		
As at 01.04.15	**2,92,637.68**	**2,92,637.68**
Additions	1,84,423.66	1,84,423.66
Translation adjustment	34,066.87	34,066.87
As at 31.03.16	**5,11,128.20**	**5,11,128.20**
Accumulated Depreciation	**Software**	**Total**
As at 01.04.15	**287,746.89**	**287,746.89**
Additions	1,89,618.59	1,89,618.59

Translation adjustment	33,762.72	33,762.72
As at 31.03.16	**5,11,128.20**	**5,11,128.20**
Carrying Amount	**Software**	**Total**
As at 01.04.15	**4,890.79**	**4,890.79**
As at 31.03.16	**-**	**-**

11. Long-term Loans and Advances :

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured and considered good	11,35,728.10	1,440,854.60
Total	**11,35,728.10**	**1,440,854.60**

12. Deferred Tax Assets:

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
Net Deferred Tax Asset	-	-

13. Revenue from operations:

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
(i)Sales	10630,66,242.48	464,494,435.88
(ii) Supplier Rebates	-	-
(iii) Others	1454,57,153.55	247,420,887.01
Total	**12085,23,396.03**	**711,915,322.89**

14. Other income:

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
Interest Income bank deposits	-	-
Exchange gain	105,09,821.25	1,067,134.68
Total	**105,09,821.25**	**1,067,134.68**

15. Employee benefits:

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
(i) Salaries and Bonus	253,79,207.10	30,901,761.16
Total	**253,79,207.10**	**30,901,761.16**

16. Finance expenses :

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
Foreign exchange loss,net	97,50,284.70	115,463,923.40
Total	**97,50,284.70**	**115,463,923.40**

17. Other Expenses:

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
Rates and Taxes	9,10,457.24	-
Miscellaneous Expenses	425,06,751.64	359,57,118.89
Total	**434,17,208.88**	**359,57,118.89**

Redington Angola LDA

Standalone Balance Sheet as at 31 March, 2016

			Amount in ₹		
		Particulars	**Note.No**	**As at 31.03.2016**	**As at 31.3.2015**
	A	**EQUITY AND LIABILITIES**			
	1	**Shareholders' funds**			
		(a) Share capital	1	76,092.54	28,955.000
		(b) Reserves and surplus	2	-380,179.68	(89,034.493)
				-304,087.13	(60,079.49)
	2	**Current liabilities**			
		Trade payables	4	1,766,268.94	-
		Other current liabilities	5	-	710,545.28
				1,766,268.94	**710,545.28**
		TOTAL		**1,462,181.81**	**650,465.78**
	B	**ASSETS**			
	1	**Non-current assets**			
		Fixed assets-Tangible assets	3	24,980.03	9,505.515
				24,980.03	**9,505.515**
	2	**Current assets**			
		(a)Trade receivables	6	686,540.21	299,683.09
		(b) Cash and cash equivalents	7	750,661.56	341,276.949
				1,437,201.77	**640,960.04**
		TOTAL		**1,462,181.81**	**650,465.79**

Redington Angola LDA

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note. No	31st March ,2016	31st March ,2015
		2015-16	2014-15
Income			
Revenue from operations	8	-	315,096.50
Total Revenue		**-**	**315,096.50**
Expenses:			
Purchases of trading stock		-	305,778.76
Depreciation & Amortisation	3	-	8,326.93
Other expenses	9	177,933.32	72,969.80
Total expenses		**177,933.32**	**387,075.49**
Profit before tax		**(177,933.32)**	**(71,978.98)**
Profit after Tax		**(177,933.32)**	**(71,978.98)**
Profit for the Year		**(177,933.32)**	**(71,978.98)**

Redington Angola LDA
Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**-177,933.32**		**(71,978.98)**	
Adjustments for:				
- Depreciation	-		8,326.93	
Operating Profit before working capital changes	**-177,933.32**		**(63,652.05)**	
Increase in Trade receivables	(386,857.12)		4,325,296.91	
Increase in Loans & advances and Other current assets	-		28,948.56	
Increase in inventories				
Increase in Trade Payables, Other Current Liabilities & Provisions	1,055,723.66		564,493.38	
Cash generated from operations	**490,933.22**		**4,855,086.79**	
Net Cash (used in) / generated from operating activities		**490,933.22**		**4,855,086.79**
Cash flow from investing activities:				
Purchase of FA			(20,131.57)	
Net Cash used in investing activities		-		**(20,131.57)**
Cash flow from financing activities:				
Proceeds from issue of share capital	47,137.54			
(Repayment of) / Proceeds from short term borrowing			(6,037,881.39)	
Net Cash generated from financing activities		**47,137.54**		**(6,037,881.39)**
Net (decrease) / increase in cash and cash equivalents		**538,070.77**		**(1,202,926.17)**
Cash and cash equivalents at the beginning of the year		**341,276.95**		**1,482,391.77**
Currency Translation Adjustment		(128,686.15)		61,811.34
Cash and cash equivalents at the end of the year		**750,661.57**		**341,276.95**

REDINGTON ANGOLA , LDA.

FINANCIAL STATEMENTS

31 MARCH 2016

REDINGTON ANGOLA , LDA.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2016

1. **Share Capital:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up capital	76,092.54	28,955.00

2. **Reserves and Surplus:**

Amount in ₹

Particulars		
(a) Profit and Loss Account	**31-Mar-16**	**31-Mar-15**
Opening Balance	(9,53,287.40)	(881,308.42)
Add: Current year profit	(1,77,933.32)	(71,978.98)
Closing Balance	**(11,31,220.727)**	**(953,287.403)**
(b) Foreign Currency Translation reserve		
Opening balance	8,64,252.91	(12,135.31)
Movement during the year	(1,13,211.86)	876,388.22
Closing balance	**7,51,041.050**	**864,252.910**
Total	**(3,80,179.677)**	**(89,034.493)**

3. **Fixed Assets:**

Amount in ₹

Particulars	**Vehicles**	**Total**
Cost		
As at 01.04.15	19,008.96	19,008.96
Additions	49,308.41	49,308.41
Translation adjustments	(14,200.04)	(14,200.04)
As at 31.03.16	**54,117.32**	**54,117.32**
Accumulated Depreciation		
As at 01.04.15	9,503.44	9,503.44
Additions	27,184.91	27,184.91
Translation adjustment	(7,551.06)	(7,551.06)
As at 31.03.16	**29,137.29**	**29,137.29**
Carrying Amount		
As at 01.04.15	**9,505.52**	**9,505.52**
As at 31.03.16	**24,980.03**	**24,980.03**

4. Trade Payables

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Expense Payable	85,943.66	-
(b)Due to related parties	9,37,296.55	
(c) Other Payables	7,43,028.73	-
Total	**17,66,268.94**	**-**

5. Other Current Liabilities:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
others		710,545.28
Total		**710,545.276**

6. Trade Receivables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured, considered good	6,86,540.21	299,683.09
Total	**6,86,540.21**	**299,683.09**

7. Cash and Cash Equivalents:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(b) Balances with banks	7,50,661.56	341,276.95
Total	**7,50,661.565**	**341,276.95**

8. Revenue from Operations:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i)Sales	-	315,096.50
Total	**-**	**315,096.50**

9. Other Expenses:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	1,77,933.32	58,452.92
Freight	-	-
Insurance	-	199.12

Communication	-	-
Travel	-	-
Professional Charges	-	14,299.65
Bank Charges	-	-
Miscellaneous Expenses	-	18.10
Total	**1,77,933.32**	**72,969.80**

ENSURE IT SERVICES (Pty) Ltd

Standalone Balance Sheet as at 31 March,2016

Amount in ₹

	Particulars	Note .No	As at 31.03.2016	As at 31.03.2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	7	3,144,555.00	3,576,057.83
	(b) Reserves and surplus	8	9,797,580.02	3,591,978.39
			12,942,135.02	**7,168,036.22**
3	**Non-current liabilities**			
	(c)Other Long term liabilities	12	26,132,017.48	30,894,802.96
			26,132,017.48	30,894,802.96
2	**Current liabilities**			
	(a) Trade payables	9	25,978,144.50	41,104,983.08
	(b) Short-term provisions	10	-	370,660.53
			25,978,144.50	**41,475,643.61**
	TOTAL		**65,052,297.00**	**79,538,482.78**
B	**ASSETS**			
1	**Non-current assets**			
	Fixed assets-Tangible assets			
	Fixed assets-Tangible assets	2	10,705,324.50	14,414,871.65
	(c)Deferred tax assets (net)	11	567,000.00	47,649.04
			11,272,324.50	**14,462,520.69**
2	**Current assets**			
	(a) Inventories	3	7,779,838.50	12,104,100.35
	(b)Trade receivables	4	42,610,819.50	46,581,347.77
	(c) Cash and cash equivalents	5	962,280.00	6,390,513.95
	(d) Short-term loans and advances	6	2,427,034.50	-
			53,779,972.50	**65,075,962.07**
	TOTAL		**65,052,297.00**	**79,538,482.78**

ee Accompanying notes forming part of Balance Sheet

ENSURE IT SERVICES (Pty) Ltd
Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note No.	31st March, 2016 2015-16	31st March,2015 2014-15
Income			
Revenue from operations	13	121,137,821.28	115,583,679.68
Other income	14	5,585,809.16	-
Total Revenue		**126,723,630.44**	**115,583,679.68**
Expenses:			
Purchases of trading stock		38,088,916.80	46,182,847.02
Changes in inventories of trading stock		4,324,261.85	2,274,926.74
Employee benefits	15	25,000,268.33	20,745,406.43
Depreciation & Amortisation	2	6,371,956.60	3,331,933.45
Other expenses	16	42,793,802.77	39,951,692.29
Total expenses		**116,579,206.34**	**112,486,805.92**
Profit before tax		**10,144,424.10**	**3,096,873.76**
Tax expense:			
Current tax		3,078,685.16	867,123.98
Profit after Tax		**7,065,738.93**	**2,229,749.78**
See accompanying notes forming part of Profit and loss statement			

ENSURE IT SERVICES (Pty) Ltd
Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**10,144,424.10**		**3,096,873.76**	
Adjustments for:				
- Depreciation	6,371,956.60		3,331,933.45	
- Interest Income	(37,293.74)			
Operating Profit before working capital changes	**16,479,086.95**		**6,428,807.21**	
Increase in Trade receivables	3,970,528.27		(28,075,929.25)	
Increase in Loans & advances and Other current assets	(2,946,385.46)		112,873,578.72	
Increase in Inventories	4,324,261.85		2,274,926.74	
Increase in Trade Payables, Other Current Liabilities & Provisions	(15,497,499.11)		9,926,897.70	
Cash generated from operations	**6,329,992.50**		**103,428,281.12**	
Direct taxes paid	(3,078,685.16)		(867,123.98)	
Net Cash (used in) / generated from operating activities		**3,251,307.34**		**102,561,157.14**
Cash flow from investing activities:				
Purchase of fixed assets	(4,275,140.37)		-	
Net Cash used in investing activities		**(4,275,140.37)**		**-**
Cash flow from financing activities:				
(Repayment of) / Proceeds from long term borrowing	(4,762,785.48)		(97,418,301.29)	
Finance cost paid	37,293.74			
Net Cash generated from financing activities		**(4,725,491.74)**		**(97,418,301.29)**
Net (decrease) / increase in cash and cash equivalents		**(5,749,324.77)**		**5,142,855.85**
Cash and cash equivalents at the beginning of the year		**6,390,513.99**		**285,552.59**
Currency Translation Adjustment		321,090.78		962,105.55
Cash and cash equivalents at the end of the year		**962,280.00**		**6,390,513.99**

This is the cash flow referred to in our report of even date

For and on behalf of the Board

Sd :-	**Sd :-**	**Sd :-**	Sd :-
D5	**Sriram Ganeshan**	**Raj Shankar**	**Mr. Raj Shankar**
Chartered Accountants (SA)	**Director**	**Director**	**Director**

Place : South Africa
Date :April ,26,2016

Ensure IT Services (Pty) Ltd

(Registration number K2011/101022/07)

Notes on Accounts for the year ended 31 March 2016

Chartered Accountants (SA)

Ensure IT Services (Pty) Ltd
(Registration number K2011/101022/07)
Notes on Accounts
for the year ended 31 March 2016

Ensure IT Services (Pty) Ltd

(Registration number K2011/101022/07)
Notes on Accounts for the year ended 31 March 2016

General Information

Country of incorporation and domicile	South Africa
Directors	RAJ Shankar SRIRAM Ganeshan
Registered office	First Floor Block C White Thorn Office Park 606 Kudu Street Allensnek X27 1737
Business address	First Floor Block C White Thorn Office Park 606 Kudu Street Allensnek X27 1737
Postal address	PO Box 302 Mhd Ebrahim Building Al Musalla Road 0000
Holding company	Redington Gulf Fze incorporated in Dubai
Auditors	D5 Chartered Accountants (SA) Registered Auditors
Company registration number	K2011/101022/07

Independent Auditors' Report

To the members of Ensure IT Services (Pty) Ltd

We have audited the annual financial statements of Ensure IT Services (Pty) Ltd, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 12 months then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Ensure IT Services (Pty) Ltd as at 31 March 2016, and its financial performance and its cash flows for the 12 months then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

D5 Chartered Accountants (SA)
Registered Auditors

Per: AL de Kock
April,26,2016

Ensure IT Services (Pty) Ltd

(Registration number K2011/101022/07)

Annual Financial Statements for the year ended 31 March 2016

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company’s cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

Sd:-	Sd:-
RAJ Shankar	SRIRAM Ganeshan

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period, except for the changes set out in note Changes in accounting policy

1.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognized as an asset when:
it is probable that future economic benefits associated with the item will flow to the company; and
the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.
Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognized in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognized.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.
The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Computer software	3 Years
Electrical equipment	3 Years
Furniture and fixtures	5 years
IT equipment	3 Years
Motor Vehicles	3 Years
Office equipment	5 Years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Notes to the Annual Financial Statements

1.2 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognized initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortized cost.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

1.3 Financial instruments (continued)

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the company’s accounting policy for borrowing costs.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.
Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. A deferred tax asset is not recognized when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognized for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Annual Financial Statements

1.3 Tax (continued)

Tax expenses

Current and deferred taxes are recognized as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

a transaction or event which is recognized, in the same or a different period, to other comprehensive income, or

a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on an invoice basis. The difference between the amountsrecognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.5 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Notes to the Annual Financial Statements

1.6 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.
If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

If the company reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company’s own equity instruments. Consideration paid or received shall be recognised directly in 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.

Notes to the Annual Financial Statements

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.9 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period.

Stage of completion is determined by the proportion of costs incurred to date bear to the total estimated costs of the transaction.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

1.10 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.11 Change in accounting policy

Due to a directors resolution, the accounting policy with regards to the useful lives of property, plant and equipment had been changed.

Furniture & Fittings were changed from a useful life of 6 years to 5 years.
Motor Vehicles were changed from the useful life of 5 years to 3 years.
Office Equipment were changed from a useful life of 6 years to 5 years.

Notes to the Annual Financial Statements

2. Fixed Assets:

Tangible Assets:

Amount in ₹

Particulars	Furniture & Fixtures	Office equipments	Computers	Vehicles	Total
Cost					
As at 01.04.15	**14,267,339.24**	**5,545,670.99**	**3,009,970.21**	**1,628,843.96**	**24,451,824.40**
Additions	11,04,195.47	12,82,488.95	4,79,493.00	14,08,962.96	42,75,140.37
Disposals	-	-	-	-	-
Translation adjustments	-1788244.21	(7,46,616.94)	-392153.7054	(2,81,633.41)	-3208648.271
As at 31.03.16	**135,83,290.50**	**60,81,543.00**	**30,97,309.50**	**27,56,173.50**	**255,18,316.50**
Accumulated Depreciation					
As at 01.04.15	**4,289,166.10**	**3,511,387.98**	**1,333,349.27**	**903,049.40**	**10,036,952.75**
Additions	37,64,632.32	4,59,196.24	9,56,476.43	11,91,651.61	63,71,956.60
Translation adjustments	(7,44,902.91)	(4,51,431.21)	-218651.2063	(1,80,932.01)	-1595917.347
As at 31.03.16	73,08,895.50	35,19,153.00	20,71,174.50	19,13,769.00	148,12,992.00
Carrying Amount					
As at 01.04.15	**9,978,173.15**	**2,034,283.01**	**1,676,620.94**	**725,794.56**	**14,414,871.65**
As at 31.03.16	**62,74,395.00**	**25,62,390.00**	**10,26,135.00**	**8,42,404.50**	**107,05,324.50**

3. Inventories:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Trading Stocks	77,79,838.50	12,104,100.35

4. Trade Receivables:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Unsecured, considered good	426,10,819.50	46,581,347.77

Ensure IT Services (Pty) Ltd

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Annual Financial Statements for the year ended 31 March 2016

Notes to the Annual Financial Statements

5. Cash and Cash Equivalents:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Cash on hand	87,633.00	3,871,168.70
Balances with Banks	8,74,647.00	2,519,345.25
Total	9,62,280.00	**6,390,513.95**

6. Short Term Loans and Advances (Unsecured & Considered good):

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a)Loans and advances to related parties	23,86,930.50	-
(b) Security deposits	-	-
(c) Loans and advances to employees	-	-
(d) Prepaid expenses	40,104.00	-
(e) VAT & Service Tax credit receivable	-	-
Total	**-**	**-**

7. Share Capital:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Issued,Subscribed and paid up capital	31,44,555.00	3,576,057.83

8. Reserves and Surplus:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Opening Balance	40,66,432.17	1,836,682.39
Add: Current year profit	70,65,738.93	2,229,749.77
Closing Balance	111,32,171.10	**4,066,432.16**
(b) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	(4,74,453.78)	(131,153.11)
Movement during the year	(8,60,137.31)	(343,300.67)
Closing balance	(13,34,591.08)	**(474,453.78)**
Total	**97,97,580.02**	**3,591,978.39**

Notes to the Annual Financial Statements

9. Trade Payables:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Trade Payables	171,54,193.50	40,422,446.76
Other Payables	88,23,951.00	682,536.33
Total	**259,78,144.50**	**41,104,983.08**

10. Short Term provision:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Provision For Taxation	--	370,660.53

11. Deferred Tax Asset :

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Net Deferred Tax Asset	5,67,000.00	47,649.04

12. Other Long-term Liabilities :

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Loans an advances to related parties	261,32,013.00	30,894,802.96
Total	**261,32,013.00**	**30,894,802.96**

13. Revenue from Operations :

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Sales	1211,37,821.28	115,583,679.68
Total	**1211,37,821.28**	**115,583,679.68**

Notes to the Annual Financial Statements

14. Other Income.

Other Income		
Particulars	**31-Mar-16**	**31-Mar-15**
(f) Exchange gain	55,48,515.42	-
h) Interest income- others	37,293.74	-
	55,85,809.16	**--**

15. Employee benefit expenses :

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Salaries and Bonus	246,26,167.14	20,489,290.30
(ii) Welfare Expenses	3,74,101.18	256,116.13
Total	**250,00,268.33**	**20,745,406.43**

16. Other Expenses : **Amount in**

Particulars	31-Mar-16	31-Mar-15
Rent	71,53,032.24	7,257,383.70
Repairs and Maintenance	19,43,273.49	1,324,405.35
Insurance	19,75,787.58	886,756.47
Rates and Taxes	11,90,770.39	1,986,962.80
Communication	21,63,319.48	7,490,774.91
Printing and Stationery	19,05,888.75	435,934.48
Travel	36,36,999.32	1,288,429.94
Professional Charges	19,33,695.03	1,904,213.79
Auditors remuneration	2,85,720.72	
Exchange Gain/(Loss) Net	-	1,994,634.60
Trade Mark License Fees	-	129,932.79
Loss on Sale of Fixed Assets	-	192,349.31
Software Expenses	-	73,436.42
Bank Charges	3,30,332.40	7,711,887.92
Miscellaneous Expenses	202,74,983.37	7,274,589.81
Total	**427,93,802.77**	**39,951,692.29**

17. Directors' emoluments

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

18 .RiskManagement

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

The company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

REDINGTON TURKEY HOLDINGS S.A.R.L

Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	**Note.No**	**As at 31.3.2016**	**As at 31.3.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	10	29,814,750.00	28,125,000.00
	(b) Reserves and surplus	11	36,676,914.85	32,413,126.87
			66,491,664.85	**60,538,126.87**
2	**Current liabilities**			
	(a) Short-term borrowings	12	2,784,962,670.00	2,627,125,000.00
	(b) Trade payables	13	280,286,742.12	241,568,586.25
	(c) Short-term provisions	14	3,590,954.75	5,816,100.00
			3,068,840,366.87	2,874,509,686.25
	TOTAL		**3,135,332,031.71**	**2,935,047,813.12**
B	**ASSETS**			
1	**Non-current assets**			
	Non-current investments	6	2,814,777,420.00	2,655,250,000.00
			2,814,777,420.00	**2,655,250,000.00**
2	**Current assets**			
	(b)Trade receivables	9	-	59,512,979.38
	(a) Cash and cash equivalents	7	1,060,345.02	142,840.63
	(b) Short-term loans and advances	8	319,494,330.96	220,141,993.13
			320,554,675.98	**279,797,813.13**
	TOTAL		**3,135,332,031.71**	**2,935,047,813.13**
e accompanying notes forming part of Balance Sh				

REDINGTON TURKEY HOLDINGS S.A.R.L

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note.No	31st March,2016	31st March,2015
		2015-16	2014-15
Income			
Other income	15	35,444,490.60	110,884,065.17
Total Revenue		**35,444,490.60**	**110,884,065.17**
Expenses:			
Finance costs	16	24,764,783.27	82,531,101.84
Other expenses	17	4,848,817.98	4,648,592.54
Total expenses		**29,613,601.25**	**87,179,694.38**
Profit before tax		**5,830,889.35**	**23,704,370.78**
Tax expense:			
Current tax		3,544,468.68	11,088,459.11
Profit after Tax		**2,286,420.67**	**12,615,911.68**
Profit for the Year		**2,286,420.67**	**12,615,911.68**

REDINGTON TURKEY HOLDINGS S.A.R.L
Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	5,830,889.35		23,704,370.78	
Operating Profit before working capital changes	**5,830,889.35**		**23,704,370.78**	
Decrease in Trade receivables	59,512,979.38		(58,733,254.55)	
Increase in Loans & advances and Other current assets	(99,352,337.84)		(51,570,966.87)	
Increase/(Decrease) in Trade Payables, Other Current Liabilities & Provisions	36,493,010.62		242,375,789.25	
Cash generated from operations	**2,484,541.51**		**155,775,938.62**	
Direct taxes paid	(3,544,468.68)		(11,088,459.11)	
Net Cash (used in) / generated from operating activities		**(1,059,927.17)**		**144,687,479.51**
Cash flow from investing activities:				
Investment in subsidiaries	(159,527,420.00)		(109,821,140.00)	
Net Cash used in investing activities		**(159,527,420.00)**		**(109,821,140.00)**
Cash flow from financing activities:				
(Repayment of) / Proceeds from short term borrowing	157,837,670.00		(37,187,044.83)	
Net Cash generated from financing activities		**157,837,670.00**		**(37,187,044.83)**
Net (decrease) / increase in cash and cash equivalents		**(2,749,677.17)**		**(2,320,705.32)**
Cash and cash equivalents at the beginning of the year		**142,840.63**		**214,405.22**
Currency Translation Adjustment		3,667,181.57		2,249,140.72
Cash and cash equivalents at the end of the year		**1,060,345.02**		**142,840.63**

Redington Turkey Holdings S.A.R.L
Luxembourg

Report and financial statements
For the year ended 31 March 2016

INDEPENDENT AUDITOR'S REPORT

The Shareholder
Redington Turkey Holdings S.A.R.L
Luxembourg

Report on the Financial Statements

We have audited the accompanying financial statements of **Redington Turkey Holdings S.A.R.L, Luxembourg** (the "Company") which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the separate financial position of **Redington Turkey Holdings S.A.R.L, Luxembourg** as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

May,24,2016

1. Status and operations

a) Redington Turkey Holdings S.A.R.L (the “Company”) is a Private Limited Company incorporated in Luxembourg with effect from November 8, 2010.

b) The Parent Company is Redington International (Holdings) Limited, Cayman Islands. The Ultimate Parent is Redington (India) Limited.

c) The principal activity of the company is to act as a holding company for investments in companies which are engaged in supply chain and related businesses.

d) The address of the registered office of the Company is 58, Rue Charles Martel, L-1234, Luxembourg.

e) Details of the Company’s subsidiary at 31 March 2015 is as follows:

Name of subsidiary	**Place of Registration and operation**	**Ownership interest** %	**Beneficial interest** %	**Principal activity**
Arena Bilgisayar Sanayi ve Ticaret	Istanbul, Turkey	49.4	49.4	Distribution of Information technology and telecommunication products.

The Company has effective control over the composition of the Board of Directors and also has power to govern the financial and operating policies under an agreement.

2. Adoption of new and revised international financial reporting standards (IFRSs)

2.1 Standards and Interpretations effective for the current year

The following new and revised standards and interpretations have been adopted in the current year with no material impact on the disclosures and amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements:

- Amendments to IAS 24 *Related Party Disclosures* modify the definition of a related party and simplify disclosures for government-related entities.
- Amendments to IAS 32 *Classification of Rights Issues* address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability.
- Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement.* The amendments correct an unintended consequence of IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. In particular equity instruments issued under such arrangements are measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued are recognized in profit or loss.
- Improvements to IFRSs issued in 2010 - Amendments to: IFRS 1; IFRS 3 (2008); IFRS 7; IAS 1; IAS 27 (2008); IAS34; IFRIC 13.

2. Adoption of new and revised international financial reporting standards (IFRSs) (continued)

2.2 Standards and Interpretations in issue but are not yet effective

The Company has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

	Effective for annual periods <u>beginning on or after</u>
• Amendments to IFRS 7 *Disclosures – Transfers of Financial Assets* increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures of transactions when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.	1 July 2011
• Amendments to IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.	1 January 2015
• IFRS 10 *Consolidated Financial Statements** uses control as the single basis for consolidation, irrespective of the nature of the investee. IFRS 10 requires retrospective application subject to certain transitional provisions providing an alternative treatment in certain circumstances. Accordingly IAS 27 *Separate Financial Statements** and IAS 28 *Investments in Associates and Joint Ventures** have been amended for the issuance of IFRS 10.	1 January 2014
• IFRS 11 *Joint Arrangements** establishes two types of joint arrangements: Joint operations and joint ventures. The two types of joint arrangements are distinguished by the rights and obligations of those parties to the joint arrangement. Accordingly IAS 28 *Investments in Associates and Joint Ventures* has been amended for the issuance of IFRS 11.	1 January 2014
• IFRS 12 *Disclosure of Interests in Other Entities** combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure Standard.	1 January 2014
• IFRS 13 *Fair Value Measurement* issued in May 2011 establishes a single framework for measuring fair value and is applicable for both financial and non-financial items.	1 January 2014

2. Adoption of new and revised international financial reporting standards (IFRSs) (continued)

2.2 Standards and Interpretations in issue but are not yet effective (continued)

	Effective for annual periods <u>beginning on or after</u>
• Amendments to IAS 1 - *Presentation of Other Comprehensive Income.* The amendments retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate statements. However, items of other comprehensive income are required to be grouped into those that will and will not subsequently be reclassified to profit or loss with tax on items of other comprehensive income required to be allocated on the same basis.	1 July 2012
• Amendments to IAS 12 *Income Taxes* provide an exception to the general principles of IAS 12 for investment property measured using the fair value model in IAS 40 *Investment Property* by the introduction of a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale.	1 January 2012
• Amendments to IAS 19 *Employee Benefits* eliminate the "corridor approach" and therefore require an entity to recognize changes in defined benefit plan obligations and plan assets when they occur.	1 January 2014
• IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2014
• Amendments to IFRS 7 *Financial Instruments: Disclosures* enhancing disclosures about offsetting of financial assets and liabilities	1 January 2014
• Amendments to IAS 32 *Financial Instruments: Presentation* relating to application guidance on the offsetting of financial assets and financial liabilities	1 January 2014
• Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9	1 January 2015 (or otherwise when IFRS 9 is first applied)

*In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011). These five standards are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted provided that all of these five standards are applied early at the same time.

Management is in the process of assessing the impact of the Standards and Interpretations in issue but not yet effective. However, management anticipates that the adoption of these Standards and Interpretations in future years will not have material impact in the financial statements of the Company in the year of initial application.

3. Presentation of financial statements on a stand-alone basis

These financial statements are presented for Redington Turkey Holdings S.A.R.L. on a stand-alone basis as permitted by International Accounting Standards (IAS) 27, which requires investments in subsidiaries to be accounted under the cost method in such separate financial statements.

Consolidated financial statements of Redington International (Holdings) Ltd., for the year ended 31 March 2014, prepared in conformity with IFRS were issued on 15 May 2014.

4. Significant accounting policies

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements are prepared in accordance with the historical cost basis.

The significant accounting policies adopted are set out below.

Investment in a subsidiary

Investment in a subsidiary is accounted in these separate financial statements of the Company using the "cost method" in accordance with IAS 27 under which such investment is carried at cost.

Foreign currencies

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates. For the purpose of the financial statements, the results and financial position of the Company are expressed in Indian Rupee (INR), which is the functional currency of the Company, and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise.

4. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss' (FVTPL), ‘held-to-maturity' investments, ‘available-for-sale' (AFS) financial assets and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets held by the Company are classified as loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including trade and other receivables, bank balances and cash and amounts due from related parties are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

4. Significant accounting policies (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognises a collateralized borrowing for the proceeds received.

On de recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

4. Significant accounting policies (continued)

Financial assets (continued)

Derecognition of financial assets (continued)

On de recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. All financial liabilities held by the Company are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, trade and other payables and amounts due to related parties are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. Significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

5. Critical accounting judgment and key source of estimation uncertainty in applying the Company's accounting policies

Critical judgment in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 4 to the financial statements, management has made no critical judgment that has a significant effect on the amounts recognized in the financial statements.

Key source of estimation uncertainty

There are no key assumption concerning the future, and other key source of estimation uncertainty at the reporting date, that have a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. Investment in a subsidiary

Investment in a subsidiary is stated at cost as under:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
15,808,000 shares in Arena Biligisayar Sanyi Ve Ticaret(49.4%-Ownership)	298,14,750.00	2,655,250,000.00

7 .Cash and cash equivalents

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Balances with banks -In current accounts	10,60,345.02	142,840.63

8. Short-term-Loans and advances (Unsecured-considered good):

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Loans and advances to related parties*	2819,10,188.39	220,144,342.50
(b) Prepaid expenses	8,35,740.57	
(c) Others	367,48,402.01	
Total	**3194,94,330.96**	**220,144,342.50**

***Related party transactions**

The Company enters into transactions with parties that fall within the definition of a related party as contained in International Accounting Standard 24: *Related Party Disclosures*. Related parties comprise companies and entities under common ownership and/or common management and control and key management personnel.
The management decides on the terms and conditions of the transactions and of services received/rendered from/to related parties as well as on other charges.

9. Trade Receivables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured, considered good	-	59,512,979.38
Total	**-**	**59,512,979.38**

10. Share capital

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Authorised Share capital	298,14,750.00	28,125,000.00
Issued, Subscribed and Paid up	**298,14,750.00**	**28,125,000.00**

11. Reserves and Surplus:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Profit and Loss Account		
Opening Balance	315,96,311.61	18,980,399.93
Add: Current year profit	22,86,420.67	12,615,911.68
Closing Balance	**338,82,732.29**	**31,596,311.61**
(b) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	8,16,815.26	(269,075.45)
Movement during the year	19,77,367.30	1,085,890.71
Closing balance	**27,94,182.56**	**816,815.26**
Total	**366,76,914.85**	**32,413,126.87**

12. Short Term Borrowings (Unsecured and considered good):

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Loans & advances from related parties*	27849,62,670.00	2,627,125,000.00

*** Loans & advances due to related parties**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Redington Gulf FZE, Dubai, U.A.E.	27849,62,670.00	2,627,125,000.00

13. Trade Payables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Expense Payable	2802,86,742.12	5,079,961.25
(b) Other Payables	-	834,814.38

Total	**2802,86,742.12**	**241,568,586.25**

14. Short-term provisions:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Provision for Taxation	35,90,954.75	5,816,100.00
Total	**35,90,954.75**	**5,816,100.00**

15. Other Income:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Dividend income	354,44,490.60	110,884,065.17
Total	**354,44,490.60**	**110,884,065.17**

16. Finance Costs:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i) Interest Expenses	247,64,783.27	82,531,101.84
Total	**247,64,783.27**	**82,531,101.84**

17. Other Expenses:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Professional Charges	-	3,562,514.22
Exchange Gain/(Loss) Net	-	-
Miscellaneous Expenses	48,48,817.98	1,086,078.32
Total	**48,48,817.98**	**4,648,592.54**

18. Income tax expense

During the year ended 31 March 2016, the Company received dividend income amounting to INR 354,44,490.60 (2015: 110,884,065.17) from its subsidiary, Arena Bilgisayar Sanayi ve Ticaret, of which withholding tax amounting to INR 35,44,468 (2015 : 11,333,312.50) has been withheld. As the Company cannot use the tax withheld for any other purpose, the same amount has been expensed during the year.

19. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4 to the financial statements.

(b) Categories of financial instruments

	2016 INR	2015 INR
Financial assets		
Loans and receivables (including cash and cash equivalents)	320,554,675.98	278,439,562.50
Financial liabilities		
Amortized cost	283,877,696.87	2,632,204,937.50

(c) Fair value

The fair value of the financial assets and liabilities approximates the carrying values in the statement of financial position as at 31 March 2016.

20. Financial risk management objectives

The financial risk management policies are discussed by the management of the Company on a regular basis to ensure that these are in line with the overall business strategies and its risk management philosophy. Management sets policies which seek to minimize potential adverse effects of financial performance of the Company.

(a) Foreign currency risk management

There are no significant exchange rate risks as substantially all financial assets and liabilities are denominated in Indian Rupee (INR).

(b) Interest rate risk management

As at 31 March 2016, the Company does not have any exposure to interest rate risk.

(c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's funding and liquidity management requirements. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

21. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern on a consolidated basis with its subsidiary while maximizing the return to shareholder through the optimization of the equity balance. The capital structure of the company consists of share capital and retained earnings.

22. Approval of financial statements

The financial statements for the year ended 31 March 2016 were approved and signed by the Director on May,24,2016.

Arena Biligisayar SanayiVeticarat.A.S
Standalone Balance Sheet as at 31 December,2015

			Amount in ₹	
	Particulars	**Note.No**	**As at 31.12.2015**	**As at 31.12.2014**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	16	1,476,513,445.00	1,406,878,165.00
	(b) Reserves and surplus	17	2,919,287,840.00	2,707,227,180.00
			4,395,801,285.00	**4,114,105,345.00**
2	**Non-current liabilities**			
	(a) Deferred tax liabilities (Net)	15	-	12,670,035.00
	(b) Long-term provisions	14	61,457,995.00	30,887,150.00
			61,457,995.00	**43,557,185.00**
3	**Current liabilities**			
	(a) Short-term borrowings	11	2,698,727,070.00	2,660,203,070.00
	(b) Trade payables	12	2,977,967,325.00	4,456,574,500.00
	(c)Other current liabilities	13	849,099,425.00	698,301,730.00
	(d) Short-term provisions	10	57,819,470.00	84,592,970.00
			6,583,613,290.00	**7,899,672,270.00**
	TOTAL		**11,040,872,570.00**	**12,057,334,800.00**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets	9		
	(i)Tangible assets		103,069,490.00	141,261,435.00
	(ii)Intangible assets		7,277,050.00	21,557,970.00
	(c)Deferred tax assets (net)	15	24,014,265.00	
	(b) Long-term loans and advances	8	172,796,860.00	115,354,050.00
			307,157,665.00	**278,173,455.00**
2	**Current assets**			
	(a) Current investments			-
	(a) Inventories	7	3,086,395,370.00	4,017,031,445.00
	(b)Trade receivables	5	7,035,848,870.00	6,814,209,570.00
	(c) Cash and cash equivalents	4	581,899,380.00	725,091,605.00
	(d) Short-term loans and advances	6	26,528,155.00	218,731,450.00
	(e)Asset held for sale		3,043,130.00	4,097,275.00
			10,733,714,905.00	**11,779,161,345.00**
	TOTAL		**11,040,872,570.00**	**12,057,334,800.00**

Arena Biligisayar SanayiVeticarat.A.S

Stand alone statement of Profit and Loss account for the year ended December 31, 2015

Amount in ₹

Particulars	NoteNo	31st December,2015	31st December,2014
		2014-15	2013-14
Income			
Revenue from operations	18	31,520,400,689.23	32,722,522,236.92
Other income	19	187,040,693.85	112,949,733.08
Total Revenue		**31,707,441,383.08**	**32,835,471,970.00**
Expenses:			
Purchases of trading stock		28,913,523,118.08	32,195,678,006.92
Changes in inventories of trading stock		930,636,075.00	(1,563,979,470.00)
Employee benefits	20	559,068,100.00	638,010,051.54
Finance costs	21	285,503,433.85	307,538,823.85
Depreciation & Amortisation	9	66,433,465.38	79,193,234.62
Other expenses	22	469,655,716.15	505,858,252.31
Total expenses		**31,224,819,908.46**	**32,162,298,899.24**
Profit before tax		**482,621,474.62**	**673,173,070.75**
Tax expense:			
Current tax		253,987,654.62	187,495,333.85
Profit after Tax		**228,633,820.00**	**485,677,736.92**

Arena Biligisayar SanayiVeticarat.A.S
Cash Flow Statement for the year ended December 31, 2015

Amount in ₹

Particulars	Year Ended December 31, 2015		Year Ended December 31, 2014	
Cash flow from operating activities:				
Net Profit before taxation	**482,621,474.62**		**673,173,070.77**	
Adjustments for:				
- Depreciation	66,433,465.38		79,193,234.62	
- Finance cost	285,503,433.85		307,538,823.85	
- Interest Income				
- Provision for Doubtful debts	29,525,984.62		29,903,854.62	
Operating Profit before working capital changes	**864,084,358.46**		**1,089,808,983.85**	
Increase in Trade receivables	(251,165,284.62)		(2,737,480,199.62)	
(Increase)/Decrease in Loans & advances and Other current assets	111,800,365.00		1,021,032,785.00	
(Increase)/Decrease in Inventories	930,636,075.00		(1,260,219,420.00)	
Increase/(Decrease) in Trade Payables, Other Current Liabilities & Provisions	(1,336,682,170.00)		2,578,748,610.00	
Cash generated from operations	**318,673,343.85**		**691,890,759.23**	
Interest Paid by Financial Services Subsidiary	-			
Direct taxes paid	(253,987,654.62)		(187,495,333.85)	
Net Cash (used in) / generated from operating activities		**64,685,689.23**		**504,395,425.38**
Cash flow from investing activities:				
Purchase of fixed assets	(8,344,300.00)		(22,565,485.38)	
Proceeds from sale of fixed assets	641,869.23		-	
Net Cash used in investing activities		**(7,702,430.77)**		**(22,565,485.38)**
Cash flow from financing activities:				
Proceeds from short term borrowings	38,524,000.00		(108,660,930.00)	
Dividends Paid, including dividend tax	(120,928,163.08)		(109,341,701.54)	
Finance cost paid	(285,503,433.85)		(307,538,823.85)	
Net Cash generated from financing activities		**(367,907,596.92)**		**(525,541,455.38)**
Net (decrease) / increase in cash and cash equivalents		**(310,924,338.46)**		**(43,711,515.37)**
Cash and cash equivalents at the beginning of the year		**725,091,605.00**		**689,743,800.01**
Currency Translation Adjustment		167,732,113.46		79,059,320.37
Cash and cash equivalents at the end of the year		**581,899,380.00**		**725,091,605.00**

ARENA BİLGİSAYAR SANAYİ VE TİCARET A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015 TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

NOTE 1 - ORGANISATION AND PRINCIPAL ACTIVITIES

Arena Bilgisayar Sanayi ve Ticaret A.Ş. (“Arena Bilgisayar” or the “Company”) was incorporated on 18 September 1991. The Company operates in one main industry segment, the wholesale of personal computers, peripherals, consumer electronics and telecommunication devices. The Company purchases the merchandise from domestic and international suppliers and sells them in the domestic Turkish market and the Turkish Republic of Northern Cyprus through its distribution network. The number of employees of the Company at 31 December 2016 is 243 (2015 is :272 The Company’s headquarter is located in Istanbul. The Company has branches in Ankara, Izmir and Istanbul Free Trade Zone. The branch in the free trade zone, Arena Serbest Bölge, is commonly used as a purchasing department of the Company from overseas.

In November 2000, 15% of the Company’s existing shares were offered to the public in an initial public offering on the Istanbul Stock Exchange. Public offerings continued afterwards and percentage of shares offered to public as of 31, December 2015 is 50.6%.

On 22 September 2010, a Share Transfer Agreement (“Agreement”) has been executed by and between İzi Kohen, Alvi Mazon, Ahmet Umur Serter, Fatma Ece Serter, Mehmet Betil and İsmail Namık Tülümen (the “Transfering Shareholders”) and Redington International Holdings Limited, a strategic investor (“RIHL”), for the transfer of 1,580,800,000 shares corresponding to 49.40% of the shareholding of the Company, to RIHL for USD 42,484. The closing conditions of the Agreement have been fulfilled by the parties at 29 November 2010 and 1,580,800,000 shares have been transferred to Redington Turkey Holdings S.A.R.L..

The address of its registered office is as follows:

Göktürk Merkez Mahallesi, Göktürk Caddesi No.4

Eyüp 34077 Istanbul

Turkey

At its meeting on 9 March 2011, the Company’s Board of Directors decided to establish a new commercial company under the name “Arena International FZE” in the Jebel Ali Free Zone in the Dubai Emirate of the United Arab Emirates in order to engage in international trade of personal computers, peripherals, consumer electronics, software and telecommunication devices. The procedures to establish Arena International FZE, which is wholly owned by the Company, were completed on 23 May 2011, and the entire share capital of AED1,000,000 (UAE dirham) (USD 273,577) was paid by the Company. The legal process allowing the Company to perform commercial activities was completed on 2 June 2011.

At its meeting on 28th March 2012, the company’s Board of Directors decided to establish a new commercial company under the name of sensonet Teknolojileri Elektronik ve Bilisim Hizmetleri Sanayi ve Ticaret A.S.('Sensonet”). The procedures relating to the establishment have been completed on 11 May 2012 and the share capital of TI 449000 has been paid by the company (total share capital of sensonet is TI 450000).

Negotiations between ADEO Bilisim Danismanlik Hizmetleri San. Ve Tic.A.S.(ADEO) shareholders and the company finalised on 29 August 2013 and with the agreement signed that day, the company acquired 47.78% shares of ADEO in return for 1090000 US Dollors . As required by the signed agreements , ADEO made a capital increase on its extraordinary general assembly meeting dated 3 October 2013.Only the company participated to the capital increase and acquired additional shares with a nominal value of TL 11.175 by paying TL 300000including TL 288.825 of share premium. As a result , shareholding percentage of the company increased to 51%.

On January 16 ,2015, the company established a new subsidiary to oprerate in the payment intermediation services area " PayNet Guvenli Odeme Hizmetleri Anonim Sirketi" with an initial share capital of TL 200000 (two millions of Turkish Lira) with TL 100000 face value for each share.

In the accompanying Financial statements of the company , These subsidiaries are not consolidated and are stated at cost as these separate financial statements are prepared for the parent company, Redington Gulf FZE.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of Preparation

These financial statements of Arena Bilgisayar at 31 December 2015

have been prepared in accordance with, and comply with; International Financial Reporting Standards ("IFRS") including International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB").

The Company maintains its accounting records in accordance with the laws and regulations in force in the countries where they are registered. The financial statements are prepared under the historical cost convention, adjusted, where required by IFRS, to measure certain items at fair value.

The company has 4 subsidiaries : Arena International FZE , Sensonet teknoloji Elektronik ve Bilisim Hizmetleri Sanayi ve Ticaret A,S. ADEO Bilisim Danismanlik Hizmetleri A.S. with 100% , 99.78% , 51%, and 100% ownership repectively. The financial statements are also prepared as required by IFRS.

2.2 Foreign Currency Translation

The Group's functional currency is the US dollar, based on the fact that a significant portion of its sales and purchases are denominated and settled in that currency. The statutory financial statements have been translated into US dollar on the following basis: inventories, property and equipment, intangible assets and equity at historical rates of exchange; remaining assets and liabilities by the exchange rate prevailing at the balance sheet date.

The items in the income statement (other than cost of goods sold and depreciation which have been translated at historical rates of exchange) have been translated by the exchange rates prevailing at the date of underlying transactions.

Going Concern

The financial statements of a company are prepared on a going concern basis , which presumes the realization of assets and settlement of liabilities in the normal course of operations .and in the foreseeable future.

b) New and revised International financial reporting standards.

i)Amendments to IFRS affecting amounts reported and or disclosures in the financial statements**. - None.**

ii) New and revised IFRS applied with no material effect on the financial statements.

Amendments to IAS 19	Defined benefit plans : Employee contributions
Annual Improvements	
To 2010-2012 cycle.	IFRS 2, IFRS 3, IFRS 8, IFRS 13,IAS 16, and IAS 38., IAS 24.
Annual improvements to	
2011-2013 cycle.	IFRS 3, IFRS 13, IAS 40.

Effective for annual periods beginning on or after 1, july, 2014.

Amendemnts to IAS 19 Dfined Benefit plans :

This amendment clarifies the requirements that relate to how contributions from employeesand third parties that are linked to service should be attributed to periods of service . In addition , it permits a practical expedient if the amount of the contributions is independent of the number of years of service , in that contributions , can ,but are not required , to be recognized as a reduction in the service cost in the period in which the related services is rendered..

Annual improvements to 2010-2012 cycle.

IFRS 2 : Amends the definitions of 'vesting condition ' and market condition and adds definitions for performance condition ' and service condition..

IFRS 3 : Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

IFRS 8: Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments , clarify reconciliations of segment assets only required if segment assets .

IFRS 13 Clarify that Issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure criteria short term receivables and payables on an undiscounted basis (amends basis for conclusions only).

IAS 16 and 38: clarify that the gross amount of property , plant and equipment is adjusted ina manner consistent with a revaluation of the carrying amount.

IAS 24. Clarify how payments to entities providing management services are to be disclosed.

Annual Improvements to 2011-13 cycle.

IFRS 3 : clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial atatements of the joint arrangement itself.

IFRS 13. Clarify the scope of the portfolio exception in paragraph 52.

IAS 40. :clarifying the inter relationship of iFRS 3and IAS 40 when cl;assifying property as investement property or owner occupied property.

iii) New and revised IFRS in issue but not yet effective.

The company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

IFRS 9 : Financial instruments

Amnedments to IAS 16 and 38 clarifications of acceptable methods of depreciation and amortization.

Annual improvements to 2011-2013

Cycle.	IFRS 1.
Amendments to IAS 1	Disclosure initiative.

Annual improvements to 2012-2014

Cycle.	IFRS 5, IFRS 7, IAS 19,IAS 34.
Amendements to IAS 27	Equity method in separate financial statements.

Effective for annual periods beginning on or after 1 january 2016.

IFRS 9 Financial instruments

IFRS 9 , issued in November 2009,introduces new requirements for the classification and measurement of financial assets. IFRS 9 was amended on October 2010 to include requirements for the classification and measurement of fianancial liabilities and for derecognition.

Amendments to IAS 16 and IAS 38 clarification acceptable methods of depreciation and amortization.

This amendment clarifies that a depreciation merthod that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property , plant and equipment , and introduces a rebuttable presumption that an amortizaiton method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate which can only be overcome in limited circumstances where the intangible asstets is expressed as a measure of revenue , or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible assets are highly correlated.. the amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset which in turn might reflect reduction of the future economic benefite embodied in the asets.

Annual Improvements to 2011-2013 cycle,.

IFRS 1 : clarify which versions of IFRS 's can be used on initial adoption.(amends basiscs for conclusion only).

Amendments to IAS 1 disclosure initiative.

This amendment addresses perceived impediments to preparers excercising their judgement in presenting their financial reports.

Annual improvements 2012-2014 cycle.

IFRS 5: adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held for distribution accounting is discontinued.

IFRS 7: Additional guidance to clarify whether a servicing contract is continuing involovement in a transferred asset , and clarifications on offsetting disclosures in condensed interim financial statements.

IAS 19 : clarify that the high quality corporate bonds used in estimating the discount rate for post employment benefits should be denominated in the same currency as the benefits to be paid.

IAS 34 : claify the meaning of 'elsewhere in the interim report'and require a cross reference.

Amendments to IAS 27 Equity metthos in separate financial statements.

This amendment will allow entitites to use the equity methosd to account for investments in subsidiaries in their seprate financial statements.

Possible impact of these standards , amendments and improves on the company 's financial statement and performance is evaluated.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

3.1 Accounting Policies

Related parties

For the purpose of these consolidated financial statements shareholders of the Group, key management personnel and board members, in each case together with the companies controlled by or affiliated with them, and investments are considered and referred to as related parties.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, credit card receivables and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value (Note 4). Credit card receivables presented within cash and cash equivalents are transferred to bank accounts in the first business day following 31 December without any discount in the nominal value.

Accounts receivable

Trade receivables that are created by the Company by way of providing goods directly to a debtor are carried at par value. Short duration receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant (Note 5).

A credit risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is determined on the moving average basis for each purchase. Net realisable value is the estimated selling price in the ordinary course of business, less the selling expenses to perform the sales.

Financial assets

Available for sale financial assets are defined as assets used for the Company management's liquidity requirements or salable regardless of any maturity due to fluctuations in the interest rates. These assets are presented as non-current when management intends to hold the investment for a period longer than 12 months after balance sheet date; otherwise they are reclassified as current assets. All financial assets are recorded at cost including all acquisition costs which is also the fair value.

Derivative financial instruments and hedge accounting

Derivatives are initially recognized at cost of acquisition and are subsequently accounted to their fair value at the end of each reporting period. The method of recognizing the result of gain or loss is dependent on the nature of the item being hedged.

On the date a derivative contract is entered into, the Company designates certain derivatives as either a hedge of the fair value of a recognized asset or liability (fair value hedge) or a hedge from changes that could affect the statement of income due to a specific risk in cash flow of a forecasted transaction (cash flow hedge).

Changes in the fair value of the derivatives that are designated and qualified as cash flow hedges and that are highly effective, are recognized in equity as hedging reserve. Where the forecasted transaction or firm commitment results in the recognition of an asset or a liability, the gains and losses previously booked under equity are transferred from equity and included in the initial measurement of the cost of acquisition of the asset or liability. Otherwise, amounts booked under equity are transferred to the statement of income and classified as revenue or expense in the period in which the hedged item affects the statement of income.

When the hedging instrument expires, is sold, or when a hedge no longer meets the criteria for hedge than hedge accounting is terminated. Any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the committed or forecasted transaction ultimately is recognized in the statement of income. However, if the hedged transaction is not realized, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss of the current period.

Derivatives embedded in non derivative host contracts are treated as separate derivatives when they meet the definition of a derivative , their risks and characteristics are not closely related to those of the host contracts and the contracts are noty measured a FVTPL

Property, equipment and related depreciation

Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided on a straight-line basis. The depreciation periods for property and equipment, which approximate the useful lives of such assets, are as follows:

	Years
Leasehold improvements	4 - 10
Furniture and fixture	3 - 15
Motor vehicles and other	5

Property and equipment is reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of net selling price and value in use.

Intangible assets

Intangible assets include licences, computer software and non-compete agreements.

Acquired licences, computer software and non-compete agreements are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Bank borrowings

Bank borrowings are initially recognised at cost. Subsequently, bank borrowings are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the bank borrowings using the effective yield method.

Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Investments in subsidiaries

The subsidiaries are recognized at historic cost from the date on which control is transferred to the Company and tested annually for any impairment.

Leases

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred. Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Deferred income taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

<u>Current and deferred tax for the period</u>

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

<u>Events after the reporting date</u>

Events after the reporting period comprise any event between the balance sheet and the date of authorization of the financial statements , even if the event after the balance sheet occurred subsequent to an announcement on the company’s profit or following any selected financial information that are released.

In the case of events requiring adjustments , the company adjusts the amount recognized in its financial statements to reflect the events.:

Provision for employment termination benefits

The provision for employment termination benefits represents the present value of the estimated total provision of the future probable obligation of the Group arising from the retirement of the employees calculated in accordance with the laws and regulations in force in the countries where they are registered. Apart from these termination benefits, the Group has not provided any other benefits.

Foreign currency transactions and translation

Income and expenses arising in foreign currencies have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from settlement and translation of foreign currency items have been included in the statement of income.

Revenue recognition

Revenues include invoiced sale of goods. Revenue is measured at the fair value of the consideration received or receivable and is recognized when i) the goods are delivered and titles have passed, ii) The amount of revenue can be measured reliably iii) it is probable that the economic benefits associated with the transaction will flow to the entity. Legal ownership is transferred to the buyer when significant risks and rewards of ownership of the goods are delivered to the customer. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Revenue is reduced for estimated customer returns, rebates, and other similar allowances.

Rebates, sales discounts, stock protection and other similar allowances obtained from the suppliers are deducted from the cost of goods sold.

In cases where revenues include a significant finance income, fair value is determined by discounting the future cash flows from the collection using effective interest rate. The difference between the nominal and fair values is recognised as finance income on accrual basis..

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation or a result of past events, it is probable that on outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities and contingent assets

A possible obligation or asset that arises from past events and whose existence 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 have not been recognised in these consolidated financial statements and treated as contingent liabilities and contingent assets.

Capital and dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Earnings per Share: Earnings per share disclosed in the comprehensive income atatement has been determined by dividing net profit for the year by the weighded average of number of shares outstanding.

Statement of cash flows

In statement of cash flow, cash flows are classified as from operating, investment and finance activities. Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments.

3.2 Use of Estimates

The preparation of these financial statements based on IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and operating costs during the reporting period. Actual results may differ from these estimates.

3.3 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.4 Change in Accounting Policies

Changes made in the accounting policies are applied retrospectively and prior year financial statements are restated. There are no changes in the accounting policies of the Company during the period.

Change in Accounting estimates and errors :

If changes in the accounting estimates are related to only one period , they are applied in the current year , if they are related to the future period , they are applied in both and future periods . if a significant accounting error is detected adjustements are applied retrospectively and prior year financial statements are restated.

3.5 Comparative Information and Restatement of Prior Period Financial Statements

Financial statements of the Company have been prepared comparatively with the prior period in order to give information about financial position and performance. If the presentation or classification of the financial statements is changed, in order to maintain consistency, financial statements of the prior periods are also reclassified in line with the related changes. There are no changes in the financial statements of the prior periods of the company during the period.

Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value.

Monetary assets

The fair values of balances denominated in foreign currencies, which are translated at period-end exchange rates, are considered to approximate carrying value.

The fair values of cash, and amounts due from banks are considered to approximate their respective carrying values due to their short-term nature.

The carrying values of accounts receivable along with the related allowances for impairment are estimated to be their fair values.

Monetary liabilities

The fair values of monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

3.6 Use of Estimates

The preparation of these consolidated financial statements based on IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and operating costs during the reporting period. Actual results may differ from these estimates.

3.7 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.8 Recent Accounting Pronouncements

(i) New and amended standards adopted by the Group

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2015 that would be expected to have a material impact on the Group.

(ii) New standards, amendments and interpretations effective for annual periods beginning on or after 1 January 2013 that is not relevant for the Group's operations

- IAS 32 (amendment), "Financial instruments: Presentation", is effective for annual periods beginning on or after 1 February 2010. The amendment recognises that the previous requirement to classify foreign-currency-denominated rights issued to all existing shareholders on a pro rata basis as derivative liabilities is not consistent with the substance of the transaction, which represents a transaction with owners acting in their capacity as such. The amendment therefore creates an exception to the 'fixed for fixed' rule in IAS 32 and requires rights issues within the scope of the amendment to be classified as equity. The amendment should be applied retrospectively. Early adoption is permitted.

- IFRIC 19, "Extinguishing financial liabilities with equity instruments", is effective for annual periods beginning on or after 1 July 2010. IFRIC 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (referred to as a 'debt for equity swap'). Early adoption is permitted. The interpretation should be applied retrospectively from the beginning of the earliest comparative period presented, as adoption in earlier periods would result only in a reclassification of amounts within equity.

- IFRS 1 (amendment), "First-time adoption of IFRS", is effective for annual periods beginning on or after 1 July 2010. The amendment provides the same relief to first-time adopters as was given to current users of IFRSs upon adoption of the amendments to IFRS 7. Also clarifies the transition provisions of the amendments to IFRS 7. Earlier adoption is permitted. Early adoption is required for a first-time adopter that has a first reporting period that begins earlier than 1 July 2010 in order to benefit from the disclosure relief.

- IAS 24 (revised), "Related party disclosures", is effective for annual periods beginning on or after 1 January 2011. The revised standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of a related party. Earlier adoption is permitted either for the entire standard or for the reduced disclosures for government-related entities.

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IFRIC 14 (amendment), "IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction", is effective for annual periods beginning on or after 1 January 2011. The amendment removes unintended consequences arising from the treatment of pre-payments where there is a minimum funding requirement. The amendment also results in pre-payments of contributions in certain circumstances being recognised as an asset rather than an expense. It will apply from the beginning of the earliest comparative period presented. Earlier adoption is permitted

- Annual Improvements to IFRSs 2010. Amendments affect six standards and one IFRIC: IFRS 1,IFRS 7, IFRS 3, IFRS 7, IAS 27, IAS 34 and IFRIC 13.

(iii) New standards and amendments that are not yet effective but relevant for the Group's operations

- IAS 1 (amendment), "Presentation of financial statements", is effective for annual periods beginning on or after 1 July 2013. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. Early adoption is permitted.

- IFRS 9, "Financial instruments", is effective for annual periods beginning on or after 1 January 2015. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

- IFRS 10, "Consolidated financial statements", is effective for annual periods beginning on or after 1 January 2013. The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

- IFRS 13, "Fair value measurement", is effective for annual periods beginning on or after 1 January 2013. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

The Group is considering the implications of the standards, the impacts on the Group and the timing of their adoption by the Group.

(iv) ***New standards, amendments and interpretations that are not yet effective and not relevant for the Group's operations***

- IFRS 7 (amendment), "Financial instruments: Disclosures"
- IFRS 1 (amendment), "First-time adoption of IFRS"
- IAS 12 (amendment), "Income taxes"
- IAS 19 (amendment), "Employee benefits"
- IFRS 11, "Joint arrangements"
- IFRS 12, "Disclosures of interests in other entities"
- IAS 27 (revised), "Separate financial statements"
- IAS 28 (revised), "Associates and joint ventures"
- IFRIC 20, "Stripping costs in the production phase of a surface mine"

NOTE 4 – Cash and cash equivalents:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Cash on hand	8,60,015	567,315.00
(b) Balances with banks		
(i) In current accounts	427,36,130	61,837,335.00
(ii) In deposit accounts	5383,03,235	662,686,955.00
Total	**5818,99,380**	**725,091,605.00**

NOTE 5 – Trade receivables:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Unsecured, considered good	70358,48,870.00	6,814,209,570.00
Total	**70358,48,870.00**	**6,814,209,570.00**

NOTE 6 – Short term Loans and advances:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Loans and advances to related parties*	-	2,584,435.00
(b) Prepaid expenses - Unsecured, considered good	222,28,080.00	27,672,365.00
(c) Prepaid Taxes	30,43,130.00	168,177,380.00
(e) Advances to suppliers	12,56,945.00	20,297,270.00
Total	**265,28,155.00**	**218,731,450.00**

NOTE 7 - INVENTORIES

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Trading Stocks	26967,42,420.00	3,318,414,540.00
(b) Goods In Transist	3896,52,950.00	698,616,905.00
Total	**30863,95,370.00**	**4,017,031,445.00**

NOTE 8 – Long Term Loans and advances:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Secured and considered good	1727,96,860.00	110,563,390.00
Unsecured and considered good	-	4,790,660.00
TOTAL	**1727,96,860.00**	**115,354,050.00**

NOTE 9 – Fixed Assets:

a. Tangible assets

Amount in ₹

Particulars	Furniture & Fixtures	Special costs	Vehicles	Total
Cost				
As at 01.01.2015	**212,112,775.00**	**344,675,380.00**	**1,575,875.00**	**558,364,030.00**
Additions	50,70,766.92	1,92,560.77	--	52,63,327.69
Disposals	10,26,990.77	-	--	10,26,990.77
Translation adjustments	106,22,788.85	170,66,064.23	78,000.00	277,66,853.08
As at 31.12.2015	**2267,79,340.00**	**3619,34,005.00**	**16,53,875.00**	**5903,67,220.00**
Accumulated Depreciation				
As at 01.01.2015	**180,973,485.00**	**234,616,270.00**	**1,512,840.00**	**417,102,595.00**
Additions	130,94,132.31	353,66,994.62	-	484,61,126.92
Disposals	3,85,121.54	-	-	3,85,121.54
Translation adjustment	93,47,199.23	126,97,050.38	74,880.00	221,19,129.62
As at 31.12.2015	**2030,29,695.00**	**2826,80,315.00**	**15,87,720.00**	**4872,97,730.00**
Carrying Amount				
As at 01.01.2015	**31,139,290.00**	**110,059,110.00**	**63,035.00**	**141,261,435.00**
As at 31.12.2015	**237,49,645.00**	**792,53,690.00**	**66,155.00**	**1030,69,490.00**

b. Intangible assets

Amount in ₹

Particulars	**Software**	**Non competition agreement**	**Total**
Cost			
As at 01.01.2015	**97,452,110.00**	**96,947,830.00**	**194,399,940.00**
Additions	30,80,972.31 -	--	30,80,972.31
Disposals	- -	-	-
Translation adjustment	49,17,987.69	47,98,560.00	97,16,547.69
As at 31.12.2015	**1054,51,070.00**	**1017,46,390.00**	**2071,97,460.00**
Accumulated Depreciation	**Software**	**Non competition agreement**	**Total**
As at 01.01.2015	**86,610,090.00**	**86,231,880.00**	**172,841,970.00**
Additions	70,60,561.54	109,11,776.92	179,72,338.46
Disposals			
Translation adjustment	45,03,368.46	46,02,733.08	91,06,101.54
As at 31.12.2015	**981,74,020.00**	**1017,46,390.00**	**1999,20,410.00**
Carrying Amount	**Software**	**Non competition agreement**	**Total**
As at 01.01.2015	**10,842,020.00**	**10,715,950.00**	**21,557,970.00**
As at 31.12.2015	**72,77,050.00**	**-**	**72,77,050.00**

NOTE 10 – Short-term Provisions

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Provision For Taxation	578,19,470.00	84,592,970.00
Total	**578,19,470.00**	**84,592,970.00**

TAXATION ON INCOME

The Company is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the years and periods.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective tax rate in 2013 is 20% (2012: 20%) for the Company.

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2013 is 20% (2012: 20%). Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

Furthermore, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 – 22 July 2006 is 10% and commencing from 23 July 2006, this rate has been changed to 15% upon the Council of Minister's' Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Withholding tax at the rate of 19.8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, the investments without investment incentive certificates do not qualify for tax allowance.

Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006. Most of the articles of this new Law No. 5520 have come into force effective from 1 January 2006. The corporation tax rate is 20%.

Corporation tax rate is applicable on the total income of the companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, etc) and income tax deductions (for example research and development expenses deduction). No further tax is payable unless the profit is distributed.

Except for the dividends paid to non-resident corporations which have a representative office in Turkey or resident corporations, dividends are subject to withholding tax at the rate of 10%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is declared by the 10th and paid by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability, if, despite offsetting, there remains a paid advance tax amount, it may be refunded or offset against other liabilities to the government.

In accordance with Tax Law No. 5024 “Law regarding amendments to Tax Procedural Law, Income Tax Law and Corporate Tax Law” that was published on the Official Gazette on 30 December 2003 effective from 1 January 2004, income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the TL. In accordance with the aforementioned law provisions, in order to apply inflation adjustment, the cumulative inflation rate (TURKSTAT WPI) over last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied after fiscal year 2004 as these conditions were not fulfilled after 2004.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for 5 years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

NOTE 11- Short-term Borrowings:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Unsecued loans from Banks	26987,27,070.00	2,660,203,070.00
Total	**26987,27,070.00**	**2,660,203,070.00**

NOTE 12 - Trade Payables: **Amount in ₹**

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Trade Payables	25954,59,115.00	3,814,752,130.00
(b) Other Payables	3825,08,210.00	641,822,370.00
Total	**29779,67,325.00**	**4,456,574,500.00**

NOTE 13 - Other Current Liabilities: **Amount in ₹**

Particulars	**31-Dec-15**	**31-Dec-14**
(a)Expenses payable	4011,63,920.00	281,010,030.00
(b)Defered revene	2148,05,285.00	180,532,240.00
Other payables	85,33,995.00	--
(i) Statutory remittances	1082,29,580.00	94,048,220.00
(ii) Advances from customers	964,53,990.00	129,726,030.00
(iii) Others	199,12,655.00	12,985,210.00
Total	**8490,99,425.00**	**698,301,730.00**

The deferred revenue at 31 December 2015 and 2014 represent goods invoiced to customers which were not dispatched as of the balance sheet date.

The Company signed a non-competition agreement with İzi Kohen, the chief executive officer of the Company. Based on the non-competition agreement İzi Kohen agreed to not compete with the Company and not to engage in any business transaction which may harm the Company's relations with its business partners until 30 June 2015. In return, the Company has committed to pay a non-competition fee to İzi Kohen on 30 June 2013. The non-competition agreement is accounted for as an intangible asset with a corresponding liability in other non-current liabilities.

NOTE 14: Long-term Provisions:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Provision for employee benefits-Gratuity	491,53,165.00	19,919,060.00
Others-Vaccation pay liability	123,04,830.00	10,968,090.00
Total	**614,57,995.00**	**30,887,150.00**

NOTE 15 – DEFERRED TAX LIABILITIES /ASSETS

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Deferred Tax Liabilities	--	**12,670,035.00**

Particulars	**31-Dec-15**	**31-Dec-14**
Deferred Tax Assets	240,14,265.00	----

NOTE 16 - SHARE CAPITAL

Particulars	31-Dec-15	31-Dec-14
Issued ,Subscribed and paid up Share capital	**14765,13,445.00**	**1,406,878,165.00**

Capital Structure:

Redington Turkey Holdings: (RTHS)-49.4%

Public Quotation: 50.6%

NOTE 17 – Reserves & Surplus:

Amount in ₹

(a) Securities Premium Account		
Particulars	**31-Dec-15**	**31-Dec-14**
Opening Balance	34,66,925.00	3,399,275.00
CTA	1,71,600.00	67,650.00
Closing Balance	**36,38,525.00**	**3,466,925.00**
(b) Profit and Loss Account		
Particulars	**31-Dec-15**	**31-Dec-14**
Opening Balance	23087,28,227.86	1,932,392,192.48
Add: Current year profit	2286,33,820.00	485,677,736.92
Less: Transferred to:		
Proposed Dividend	(1209,28,163.08)	(109,341,701.54)
Closing Balance	**24164,33,884.78**	**2,308,728,227.86**

(c) Hedge Accounting Reserve		
Opening balance	40,97,275.00	618,050.00
Add/Less:Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	(37,66,500.00)	3,479,225.00
Closing balance	**3,30,775.00**	**4,097,275.00**
(d) Foreign Currency Translation reserve		
Particulars	**31-Dec-15**	**31-Dec-14**
Opening balance	3971,12,182.14	340,301,267.52
Movement during the year	1372,31,553.077	56,810,914.615
Closing balance	**5343,43,735.22**	**397,112,182.14**
(e) Employee share purchase reserve		
Opening balance	(61,77,430.00)	--
Transfer from Statement of Profit and Loss	-	-
CTA	(292,81,650.00)	(6,177,430.00)-
Closing balance	**(354,59,080.00)**	**(6,177,430.00)**
Total	**29192,87,840.00**	**2,707,227,180.00**

NOTE 18 – Revenue from Operations:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(i) Sales	315204,00,689.23	32,722,522,236.92
(ii)Supplier Rebates	-	--
Total	**315204,00,689.23**	**32,722,522,236.92**

NOTE 19- Other Income:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(i) Dividend Income	1731,12,131.54	105,122,139.23
(ii) Other non operating income	139,28,562.31	7,827,593.85
Total	**1870,40,693.85**	**112,949,733.08**

NOTE 20 – Employee Benefits:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Salaries and Bonus	5590,68,100.00	638,010,051.54
Total	**5590,68,100.00**	**638,010,051.54**

NOTE 21 – Finance Costs:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(i) Interest Expenses	3435,28,412.31	326,312,818.46
(ii)Foreign exchange loss,net	(580,24,978.46)	(18,773,994.62)
Total	**2855,03,433.85**	**307,538,823.85**

NOTE 22-Other Expenses:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Rent	925,57,543.08	87,510,053.08
Repairs and Maintenance	188,06,768.46	22,259,720.00

Distribution expenses	1001,31,600.00	133,497,166.92
Travel	162,39,291.54	15,838,646.92
Professional Charges	346,60,938.46	31,677,293.85
Provision for Doubtful receivables	295,25,984.62	29,903,854.62
Miscellaneous Expenses	1777,33,590.00	185,171,516.92
Total	**4696,55,716.15**	**505,858,252.31**

NOTE 23 - COMMITMENTS AND CONTINGENT LIABILITIES

The commitments and contingencies at 31 December 2015 and 2013, from which the management does not anticipate any significant losses or liabilities are summarised below:

Particulars	2015	2014
Letter of guarantees given	10,11,311.49	764,299.38

NOTE 24 - FINANCIAL RISK MANAGEMENT

Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The Group has no interest rate risk as at 31 December 2015 and 2014 since there are no assets or liabilities with floating interest rate.

(i) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

(ii) Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. The Group closely monitors its customers and the risks are monitored by limiting the aggregate risk to any individual counterparty. The Group secures a portion of its receivables through the use of factoring arrangements. The Group also obtains guarantees from its customers as another mean of securing its receivables

(iii) Foreign currency risk

The Group's functional currency is the US dollar, based on the fact that a significant portion of its sales and purchases are denominated and settled in that currency. As a result of US dollar denomination of sales and purchases, consequently trade receivables and trade payables, the Group is not significantly exposed to changes in foreign currencies.

As the functional currency of the Group is US dollar, the Group monitors its foreign exchange risk by analysing the Turkish Lira denominated assets and liabilities. The Group defines the foreign currency risk as the mismatch between Turkish Lira denominated assets and liabilities. The Group does not use derivative financial instruments to hedge foreign currency risk.

The Group's foreign currency risk (open exposure) is monitored by the management on a weekly and where necessary on a daily basis. The objective of the management is to limit the open exposure under levels determined by the Board of Directors.

US dollar equivalent of assets and liabilities denominated in foreign currency (currencies other than Turkish Lira defined as foreign currency for the purpose of the following table) held by the Group at 31 December 2015 and 2014 is as follows:

NOTE 24 - FINANCIAL RISK MANAGEMENT

Foreign currency position:	2015 (INR)	2014 (INR)
Assets	1699864.89	2,131,276.39
Liabilities	-1847807.99	-2,263,712.92
Derivative transactions- forward contracts	-495139.93	-611,754.68
Net foreign currency position	**-643083.07**	**-744,191.21**

As the functional currency of the Group is US dollar, the Group defines the foreign currency risk as the mismatch between Turkish Lira denominated assets and liabilities and monitors its exposure accordingly.

(iv) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under available credit lines.

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may pay out dividends, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings, accounts payable and due to related parties, as shown in the consolidated balance sheet) less cash and due from banks. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt. The gearing ratios at 31 December 2015 and 2014 were as follows:

INR

Particulars	**2015**	**2014**
Total borrowings	26,98,727.07	2,660,203.07
Less: Cash and due from banks	-5,81,899.38	-725,091.61
Net debt	21,16,827.69	1,935,111.47
Total equity	43,95,801.29	4,114,105.35
Net debt/total equity	**48%**	**47%**

The Company's strategy is to maintain a net financial debt over total equity ratio not higher than 65%.

Arena International FZE

Stand alone Balance Sheet as at 31 December, 2015

Amount in ₹

	Particulars	Note No.	As at 31.12.2015	As at 31.12.2014
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	10	18,010,000.00	17,162,500.00
	(b) Reserves and surplus	13	167,578,547.50	91,868,923.14
			185,588,547.50	**109,031,423.14**
2	**Current liabilities**			
	(b) Trade payables	9	1,277,887,627.38	1,568,811,115.83
			1,277,887,627.38	**1,568,811,115.83**
	TOTAL		**1,463,476,174.88**	**1,677,842,538.96**
B	**ASSETS**			
	Current assets			
	(a)Trade receivables	6	24,297,164.93	19,424,328.71
	(b) Cash and cash equivalents	8	675,871,535.70	1,165,195,952.29
	(c) Short-term loans and advances	7	763,307,474.25	493,222,257.96
			1,463,476,174.88	**1,677,842,538.96**
	TOTAL		**1,463,476,174.88**	**1,677,842,538.96**

Arena International FZE
Standalone statement of Profit and Loss account for the Period ended December 31, 2015

Amount in ₹

Particulars	Note No	31st December, 2015	31st December, 2014
		2014-15	2013-14
Income			
Revenue from operations	14	9,215,092,415.13	9,149,606,582.92
Other income	15	34,190,423.45	36,443,298.87
Total Revenue		**9,249,282,838.58**	**9,186,049,881.79**
Expenses:			
Purchases of trading stock		9,083,780,062.97	9,095,052,738.77
Finance costs	16	1,232,874.82	1,106,429.67
Other expenses	17	1,676,569.95	766,174.20
Total expenses		**9,086,689,507.73**	**9,096,925,342.64**
Profit before tax		**162,593,330.85**	**89,124,539.15**
Profit after Tax		**162,593,330.85**	**89,124,539.15**
Profit before Minority Interest		162,593,330.85	89,124,539.15
Profit for the Year		**162,593,330.85**	**89,124,539.15**
Earnings per equity share:			
Basic			
Diluted			

Arena International FZE

Cash Flow Statement for the year ended December 31, 2015

Amount in ₹

Particulars	Year Ended December 31, 2015		Year Ended December 31, 2014	
Cash flow from operating activities:				
Net Profit before taxation	**162,593,330.85**		**89,124,539.15**	
Adjustments for:				
- Finance cost	1,232,874.82		1,106,429.67	
Operating Profit before working capital changes	**163,826,205.67**		**90,230,968.82**	
Increase in Trade receivables	(4,872,836.22)		(17,597,737.24)	
Increase in Loans & advances and Other current assets	(270,085,216.29)		(51,183,605.28)	
Increase in Trade Payables, Other Current Liabilities & Provisions	(290,923,488.45)		(375,039,573.87)	
Cash generated from operations	**(402,055,335.28)**		**(353,589,947.57)**	
Net Cash (used in) / generated from operating activities		**(402,055,335.28)**		**(353,589,947.57)**
Dividends Paid, including dividend tax	(93,533,764.95)		(169,652,815.89)	
Finance cost paid	(1,232,874.82)		(1,106,429.67)	
Net Cash generated from financing activities		**(94,766,639.77)**		**(170,759,245.56)**
Net (decrease) / increase in cash and cash equivalents		**(496,821,975.05)**		**(524,349,193.13)**
Cash and cash equivalents at the beginning of the year		**1,165,195,952.29**		**1,688,276,352.93**
Currency Translation Adjustment		7,497,558.46		1,268,792.48
Cash and cash equivalents at the end of the year		**675,871,535.70**		**1,165,195,952.29**

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ARENA INTERNATIONAL FZE

Financial Statements as of December 31, 2015

INDEPENDENT AUDITOR'S REPORT

The Shareholder
ARENA INTERNATIONAL FZE

Report on the financial statements

We have audited the accompanying financial statements of **ARENA INTERNATIONAL FZE**, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information set out.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

continued…

In our opinion, the financial statements give a true and fair view of the financial position of **ARENA INTERNATIONAL FZE** as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

We further confirm that the financial statements comply with Implementing Regulation No. 1/92 issued by the Jebel Ali Free Zone Authority pursuant to Law No. 9 of 1992. Also, in our opinion, proper books of account and other records have been maintained in accordance with the said regulation.

S.M.JOSHI
CHARTERED ACCOUNTANTS
Dubai UAE
May,24,2016

1. LEGAL STATUS AND BUSINESS ACTIVITY

a) **ARENA INTERNATIONAL FZE** is registered in the Jebel Ali Free Zone with limited liability as a free zone establishment pursuant to Law No. 9 of 1992 of late H.H. Sheikh Maktoum Bin Rashid Al Maktoum, former ruler of Dubai and Implementing Regulations issued thereto by Jebel Ali Free Zone Authority. The registered office of the establishment is P.O. Box 261802, Jebel Ali, Dubai, UAE. The establishment was registered on 23 May 2011 and commenced operations thereon.

b) The establishment is engaged in international trade of personal computers, peripherals, consumer electronics, software and telecommunication devices.

c) The establishment is a wholly owned subsidiary of Arena Bilgisayar Sunayi ve Ticaret A.S. Istanbul, Turkey.

2. Basis of preparation

a. Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2014, and the requirements of Jebel Ali Free Zone Implementing Regulations.

b. Basis of Measurement

The financial statements are prepared using historical cost. Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c. ADOPTION OF NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS

Standards and Interpretations effective for the current year

The following International Financial Reporting Standards, amendments thereto and Interpretations that became effective for the current reporting period and which are applicable to the establishment are as follows:

- Annual Improvements 2010–2012 Cycle

- IFRS 13: Fair value measurement: Short-term receivables and payables

The amendment to IFRS 13 clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has

- IAS 24: Related Party Disclosures: Key management personnel

Clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

New and revised IFRSs in issue but not yet effective :

The following International Financial Reporting Standards, amendments thereto and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods

- Amendments to IAS 1 Disclosure Initiative (1 January 2016)

The amendments to IAS 1 Presentation of Financial Statements clarify existing IAS 1 requirements.in relation to :

• The materiality requirements in IAS 1.
• That specific line items in the statement of profit or loss and other comprehensive income and the statement of financial position may be disaggregated.
• That entities have flexibility as to the order in which they present the notes to financial statements.
• That the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

- IFRS 9: Financial instruments: (1 January 2015)

IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch.

- IFRS 15: Revenue from Contracts with Customers (1 January 2018)

The International Accounting Standard Board (IASB) has published its new revenue Standard, IFRS 15 'Revenue from Contracts with Customers'. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

- IFRS 16 introduces a number of significant changes to lease accounting model. It eliminates the classification of leases as either operating lease or finance lease for a lessee and instead all the leases are treated similar to a finance lease. The standard however, does not require an entity to recognise assets and liabilities for a) Short- term leases (for a period of twelve months or less) and b) Leases of low value assets.

Functional and presentation currency

The establishment's functional currency is US dollar, based on the fact that a significant portion of its sales and purchases are denominated and settled in that currency. The financial statements are presented in the United Arab Emirates Dirham (AED), which is the establishment's presentation currency.

3. Significant Accounting Policies

a. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is arrived at using Weighted Average Cost (WAC) and comprises invoice value plus applicable landing charges less discounts. Net realizable value is based on estimated selling price less any estimated cost of completion and disposal.

b. Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the establishment and revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, returns and other similar allowances.

Sale of goods

Revenue is recognised when persuasive evidence exists, usually in the form of a executed sales agreement, that significant risks and rewards of ownership have been transferre to the buyer.

Interest Income

Interest Income is recognised on accrual basis using the effective interest metho when it is probable that the economic benefits will flow to the establishment and the intere can be measured reliably.

c. Leases

Leases under which substantially all the risks and rewards of ownership of the relate asset remain with the lessor are classified as operating leases and the lease payments a charged to profit or loss on a straight-line basis over the year of the lease.

Foreign currency transactions

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

d. P

rovisions

A provision is recognized when the establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

e. Financial instruments

Financial assets and financial liabilities are recognised when, and only when, the establishment becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

Financial assets

Loans and receivables

Trade and other receivables

Trade and other receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts.

Related party receivables

Related party receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

Other current financial assets

Other current financial assets which comprise deposits under encumbrance are classified as loans and receivables and stated at amortised cost using the effective interest method.

Financial liabilities

At amortised cost

Trade and other payables

Trade and other payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Equity

Equity instruments issued by the establishment are recorded at the value of proceeds received towards interest in share capital of the establishment.

Impairment of financial assets

All financial assets are assessed for indicators of impairment at each reporting date. Impairment losses and reversals thereof are recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when 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.

Impairment Assessments of net recoverable amounts of all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets

f. Fair value measurement

The establishment discloses the fair value of financial instruments measured at amortised cost.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to profit or loss or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

.RELATED PARTIES.

The establishment enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and at prices determined by the management.

Related parties comprise the parent company, fellow subsidiaries, key management personnel and board members .

At the reporting date significant balances with related parties were as follows:

	Parent Company INR	Felow subsidiaries INR	Total 2015	Total 2014
Due from related party	4789,32,581.92	2085,70,388.10	6875,02,970.02	**378,933,308.9**

All the balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 1. debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment of Loans & Receivables

Management regularly undertakes a review of the amounts of loans and receivables owed to the establishment either from third parties (see Note 6) or from related parties (see Note 7) and assesses the likelihood of non-recovery. Such assessment is based upon the age of

6. Trade receivables:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Unsecured, considered good	242,97,164.93	19,424,328.71

As at the reporting date there are no trade receivables that are past due and not
Trade receivables not past not due and not impaired INR 242,97,164.93 (previous year INR 19,424,328.71).
At the reporting date, there are no trade receivables considered to be impaired due to non-recovery or perceived difficulty in recovery ((previous year INR Nil).
The establishment does not hold any collateral against trade receivables (previous year INR Nil).

7. **Short term Loans and advances:**

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Loans and advances to related parties	6875,02,970.02	378,933,308.90
(b) Other advances	758,04,504.23	114,288,949.06
Total	**7633,07,474.25**	**493,222,257.96**

Significant transactions with related parties during the year were as follows:

	Parent Company INR	Felow subsidiaries INR	Total 2015	Total 2014
Revenue	81961,82,751.50	5735,90,928.30	8769,778,922.36	8,627,854,273.18

Staff services and other administrative services are availed from a related party free of cost.

8. **Cash and Cash Equivalents:**

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Balance with Banks-In deposit accounts	6758,71,535.70	1,165,195,952.29

9. **Trade Payables:**

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Trade Payables	12523,55,318.64	1,568,811,115.83
(b) Advance from customers and Other Payables	255,32,308.74	
Total	**12778,87,627.38**	**1,568,811,115.83**

The entire trade and other payables are due for payment in one year.

OTHER CURRENT FINANCIAL ASSETS

	2015 INR	**2014 INR**
Time deposits pledged by bank	6614,17,250.00	630,282,812.50

10. Share Capital:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Issued, Subscribed and Paid up capital	180,10,000.00	17,162,500.00

11. Dividends:

Dividends paid and approved by the directors during the year of INR 935,33,764.95 previous year INR 169,652,815.89) represent a dividend per share of INR 935,33,764.95 (previous year INR 169,652,815.89).

12. MANAGEMENT OF CAPITAL

The establishment's objectives when managing capital are to ensure that the establishment continues as a going concern and to provide the shareholder with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position together with amounts due from related party. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The establishment is subject to externally imposed capital requirements as per the provisions of Implementing Regulation No.1/92 issued by Jebel Ali Free Zone Authority pursuant to Law No.9 of 1992. The establishment has complied with all capital requirements to which it is subject.

Funds generated from internal accruals net of funds provided to related party and net of dividend declared are retained in the business, according to the business requirements and to maintain capital at desired levels.

13. Reserves and Surplus:

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Dec-15**	**31-Dec-14**
Opening Balance	680,37,690.30	148,565,967.04
Add: Current year profit	1625,93,330.85	89,124,539.15
Less: Transferred to:		
Proposed Dividend	(935,33,764.95)	(169,652,815.89)
Closing Balance	**1370,97,256.20**	**68,037,690.30**

Particulars	31-Dec-15	31-Dec-14
Opening balance	238,31,232.84	22,897,440.35
Movement during the year	66,50,058.46	933,792.48
Closing balance	304,81,291.30	**23,831,232.84**
Total	**1675,78,547.50**	**91,868,923.14**

14. Revenue from Operations:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Sales	92150,92,415.13	9,146,573,687.25
Supplier Rebates		
Others	47,49,040.79	3,032,895.67
TOTAL	**92198,41,455.92**	**9,149,606,582.92**

15. Other Income:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Interest Income bank deposits	**294,41,382.67**	**36,443,298.87**

16. Finance costs:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Interest Expenses	**12,32,874.82**	**1,106,429.67**

17. Other Expense:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Professional Charges	16,76,569.95	766,174.20
Exchange Gain/(Loss) Net		
Total	**16,76,569.95**	**766,174.20**

18 . Financial Instruments

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	Loans and Receivables		At amortized cost	
	2015	2014	2015	2014
	INR	INR	INR	INR
Trade and other Receivables	442, 36,842.38	29,639,809.13	-	-
Amounts due from related parties	6875, 02,970.02	378,933,308.90	-	-
Other current financial assets	6614, 17,250.00	630,292,812.50	-	-
Cash and Cash equivalents	144, 54,285.70	534,903,139.79		
Trade and other Payables			12606, 27,923.98	1,568,811,115.83

19 Management of risk

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks in order to manage exposure to liquidity risk.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

The establishment buys and sells goods and services in foreign currencies. Exposure is minimised where possible by denominating such transactions in US dollars to which the UAE Dirham is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the establishment to concentrations of credit risk comprise principally bank accounts, trade and other receivables and amount due from related parties.

At the reporting date 93% of trade receivables was due from one customers (previous year 98% due from two customers) situated in Turkey and engaged in similar business. The establishment's bank accounts are placed with high credit quality financial institution.

At the reporting date, 100% of related party receivables were due from two parties (previous year 100% due from two parties) situated in Turkey and engaged in similar business.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or INR to which the Rupee is fixed.

Reasonably possible changes to exchange rates at the reporting rate are unlikely to have had a significant impact on profit or equity.

Interest rate risk

Time and demand deposits and bank borrowings are subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk.

Fair values

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the establishment's financial assets and financial liabilities which are required to be stated at cost or at amortised cost approximate to their carrying values.

Sensonet Teknoloji Elelektronic Ve
Stand alone Balance Sheet as at 31 December,2015

Amount in ₹

	Particulars	Note No.	As at 31.12.2015	As at 31.12.2014
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	10	16,141,820.00	15,380,540.00
	(b) Reserves and surplus	11	157,184,280.00	119,136,150.00
			173,326,100.00	**134,516,690.00**
3	**Non-current liabilities**			
	Deferred tax liabilities (Net)	9	3,307,750.00	9,644,355.00
	Other Long term liabilities	15	1,852,340.00	504,280.00
			5,160,090.00	**10,148,635.00**
2	**Current liabilities**			
	(a) Short-term borrowings	12	496,824,050.00	488,269,110.00
	(b) Trade payables	13	278,181,775.00	62,908,930.00
	(c)Other current liabilities	14	38,832,985.00	33,849,795.00
			813,838,810.00	**585,027,835.00**
	TOTAL		**992,325,000.00**	**729,693,160.00**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i)Tangible assets	8a	2,646,200.00	3,403,890.00
	(ii)Intangible assets	8b	396,930.00	1,260,700.00
	(b)Deferred tax assets (net)	11	-	-
			3,043,130.00	**4,664,590.00**
	Current assets			
	(a) Inventories	7	576,540,825.00	350,411,565.00
	(b)Trade receivables	5	284,400,345.00	280,064,505.00
	(c) Cash and cash equivalents	4	37,509,885.00	16,199,995.00
	(d) Short-term loans and advances	6	90,830,815.00	78,352,505.00
			989,281,870.00	**725,028,570.00**
	TOTAL		**992,325,000.00**	**729,693,160.00**

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Sensonet Teknoloji Elelektronic Ve

Standalone statement of Profit and Loss account for the Period ended December 31, 2015

Amount in ₹

Particulars	Note No	31st December,2015	31st December,2014
		2014-15	2013-14
Income			
Revenue from operations	16	928,078,720.77	922,004,940.77
Other income	17	513,495.38	183,459.23
Total Revenue		**928,592,216.15**	**922,188,400.00**
Expenses:			
Purchases of trading stock		973,971,100.77	698,530,679.67
Changes in inventories of trading stock		(226,129,260.00)	(40,235.06)
Finance costs	18	53,724,454.62	50,451,288.46
Depreciation & Amortisation	8	2,182,355.38	2,201,510.77
Other expenses	19	81,068,083.85	94,420,350.77
Total expenses		**884,816,734.62**	**845,563,594.62**
Profit before tax		43,775,481.54	**76,624,805.38**
Profit before extraordinary items and tax		**43,775,481.54**	**76,624,805.38**
Profit before tax		**43,775,481.54**	**76,624,805.38**
Tax expense:			
Current tax		12,580,636.92	16,327,871.54
Profit after Tax		**31,194,844.62**	**60,296,933.85**

Sensonet Teknoloji Elelektronic Ve

Cash Flow Statement for the year ended December 31, 2015

Amount in ₹

Particulars	**Year Ended December 31, 2015**		**Year Ended December 31, 2014**	
Cash flow from operating activities:				
Net Profit before taxation	**43,775,481.54**		**76,624,805.38**	
Adjustments for:				
- Depreciation	2,182,355.38		2,201,510.77	
- Finance cost	53,724,454.62		50,451,288.46	
Operating Profit before working capital changes	**99,682,291.54**		**129,277,604.62**	
Increase in Trade receivables	(4,335,840.00)		(31,732,015.00)	
Increase in Loans & advances and Other current assets	(12,478,310.00)		(20,935,660.00)	
Increase in Inventories	(226,129,260.00)		(47,072,625.00)	
Increase in Trade Payables, Other Current Liabilities & Provisions	215,267,490.00		13,767,225.00	
Cash generated from operations	**72,006,371.54**		**43,304,529.62**	
Direct taxes paid	(12,580,636.92)		(16,327,871.54)	
Net Cash (used in) / generated from operating activities		**59,425,734.62**		**26,976,658.08**
Cash flow from investing activities:				
Purchase of fixed assets	(385,121.54)		(611,530.77)	
Proceeds from sale of fixed assets	-		122,306.15	
Net Cash used in investing activities		**(385,121.54)**		**(489,224.62)**
Cash flow from financing activities:				
Proceeds from Short term borrowings	8,554,940.00		14,471,980.00	
Finance cost paid	(53,724,454.62)		(50,451,288.46)	
Net Cash generated from financing activities		**(45,169,514.62)**		**(35,979,308.46)**
Net (decrease) / increase in cash and cash equivalents		**13,871,098.46**		**(9,491,875.00)**
Cash and cash equivalents at the beginning of the year		**16,199,995.00**		**22,497,020.00**
Currency Translation Adjustment		7,438,791.54		3,194,850.00
Cash and cash equivalents at the end of the year		**37,509,885.00**		**16,199,995.00**

SENSONET TEKNOLOJİ ELEKTRONİK VE
BİLİŞİM HİZMETLERİ SANAYİ VE TİCARET LİMİTED ŞİRKETİ
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015

NOTE 1 - ORGANISATION AND PRINCIPAL ACTIVITIES

Sensonet Teknoloji Elekt. Ve Biliş. Hiz. San. Ve Tic. Ltd. Şti. (the "Company") was incorporated on 17 May 2013 The Company is engaged in the wholesale of security solution products.The Company purchases the merchandise from domestic and international suppliers and through its distribution network sells them to the customers inTurkey.

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The Company is registered and operates in Turkey. The address of its registered office is as follows:

Ramazanoğlu Mah. Transted Cad. No:2
34906 Pendik-Istanbul
Turkey

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION

a) Basis of Presentation

These financial statements of Sensonet Teknoloji Elekt. Ve Biliş. Hiz. San. Ve Tic. Ltd. Şti. at 31 December 2015 have been prepared in accordance with, and comply with; International Financial Reporting Standards ("IFRS") including International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB").

The Company maintains its books of account and prepares its statutory financial statements ("Statutory Financial Statements") in Turkish Lira("TL") in accordance with the Turkish Commercial Code (the "TCC"), tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Finance. These financial statements are based on the statutory records, which are maintained under the historical cost convention, with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

The Company's functional currency is the US Dollar, based on the fact that a significant portion of its sales and purchases are denominated and settled in that currency in accordance with IAS 21, "The Effects of Changes in Foreign Exhange Rates".

The statutory financial statements have been translated into US dollar on the following basis: inventories, property and equipment, intangible assets and equity at historical rates of exchange; remaining assets and liabilities by the exchange rate prevailing at the balance sheet date.

The items in the income statement (other than cost of goods sold and depreciation which have been translated at historical rates of exchange) have been translated by the exchange rates prevailing at the date of underlying transactions.

b) New and Revised International Financial Reporting Standards

i. Amendements to IFRS 's affecting amounts reported and/or disclosures in the financial statements**.**

None.

ii. <u>New and Revised IFRSs applied with no material effect on the financial statements</u>

Amendements to IAS 19	Defined benefit Plans : Employee contributions[1]
Annual improvements to 2010-2012 cycle	IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16,and IAS 38, IAS 24[1]
Annual improvements To 2011-13 cycle.	IFRS 3,IFRS 13,IAS 40[1]

[1]Effective for annual periods beginning on or after 1 july 2014.

Amendments to IAS 19 : Defined benefit Plans : Employee contributions .

This amendment clarifies the requirement that relate to how contributions from employees or third parties athat are linked to service should be attributed to periods of service . In addition it permits a practical expedient if the amount of contributions is independent of the number of years of service , in that contributions , can but are not required to be recognized as areduction in the service cost in the period in which the related service is rendered.

Annual Improvements to 2010-2012 cycle.

IFRS 2: Amends the definitions of vesting condition and market condition and adds definitions for performance condition and service condition.

IFRS 3: Require contingent consideration that is classidfied as an asset ora a liability to be measured at fair value at each reporting date.

IFRS 8. Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments , clarify reconciliations of segment assets only required if segment assets are reported regularly.

IFRS 13. Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short term receivables and payables ona an undiscounted basis.(amends basis for conclusion only)

IAS 16 and IAS 38: Clarify that the gross amount of the property , plant and equipmemt is adjusted ina manner consistent with a a revaluation of the carrying amount.

IAS 24: Clarify how payments to entites providing management services are to be disclosed.

Annual Improvemenst to 2011 -2013 cycle.

IFRS 3: Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangemenst itself.

IFRS 13 : Clarify the scope of the portfolio exception in paragraph 52.

IAS 40 : Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner occupied property.

iii) New and revised IFRS's in issue but not effective.

The company has not applied the following new and revised IFRS's that have been issued but are not yet effective:

IFRS 9	Fianancial Instruments
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of Depreciation and Amortisation.[1]
Annual improvemensts to 2011-2013 cycle.	IFRS [1]
Amendments to IAS [1]	Disclosure initiative [1]
Annual Improvements to 2012-2014 cycle.	IFRS 5, IFRS 7,IAS 19,IAs 34 [1]
Amendments to IAS 27	Equity method in separate financial statements [1]

[1]Effective for annual periods beginning on or after 1 january 2016.

IFRS 9 : Financial Instruments

IFRS 9 issued in November 2009,introduces new requirements for the classification and measurement of financial assets.IFRS 9 was amended in October 2010 to include requirements for the classifications and measuremenrt of Financial liabilities and for derecognition.

Amendments to IAS 16, and IAS 38 . Clarification of Acceptable methods of Depreciation and Amortisation.

This amendment clarifies that a depreciation method that is beased on revenue that is generated bya an activity that includes the use of an asset is not appropriate for property , plant , equipment , and introduce a rebuttable presumption That an amortization method that is based on the revenue generated bya an activity that includes the use of an intangible asset is inappropriate , which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible assets are highly correlated.The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset , which in turn might reflect a reduction of the future economic benefits embodied in the asset.

Annual Improvements to 2011-2013 Cycle.

IFRS 1 : Clarify which versions of IFRS ‘s can be used on initial adoption (amends basis for conclusions only)

Amendments to IAS 1 Disclosure Initiative.

This amendment addresses perceived impediments to preparers exercising their judgement in presenting their financial reports .

Annual Improvements 2012-2014 Cycle.

IFRS 5 : Adds specific guidance in IFRS 5 for cases in which an entity reclassifications an asset from held for sale to held for distribution or viceversa and cases in which held for distribution accounting is discontinued.

IFRS 7: Additional guidance to clarify whether a servicing contract is continuinfg involvement ina transferred asset , and clarification on offsetting disclosures in condensed interim financial statements.

IAS 19 : Clarify that the high quality corporate bonds used in estimating the discount rate for post employment benefits should be dnominated in the same currency as the benefits to be paid.

Amendments to IAS Equity method in separate Financial Statements :

This amendment will allow entities to use the equity method to account for investments in subsidiaries in their separate financial statements.
Possible impact of these standards , amendments and improves on the company’s financial statemnst and performance is evaluated.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

3.1Accounting Policies

Revenue recognition

Revenues include invoiced sale of goods. Revenue is measured at the fair value of the consideration received or receivable and is recognized when i) the goods are delivered and titles have passed, ii) The amount of revenue can be measured reliably iii) it is probable that the economic benefits associated with the transaction will flow to the entity. Legal ownership is transferred to the buyer when significant risks and rewards of ownership of the goods are delivered to the customer. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Revenue is reduced for estimated customer returns, rebates, and other similar allowances.

Rebates, sales discounts, stock protection and other similar allowances obtained from the suppliers are deducted from the cost of goods sold.

In cases where revenues include a significant finance income, fair value is determined by discounting the future cash flows from the collection using effective interest rate. The difference between the nominal and fair values is recognised as finance income on accrual basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, credit card receivables and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Credit card receivables presented within cash and cash equivalents are transferred to bank accounts in the first business day following 31 December without any discount in the nominal value.

Trade receivable and impairment

Trade receivables that are created by the Company by way of providing goods directly to a debtor are carried at par value. Short duration receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

A credit risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.

Related parties

For the purpose of these financial statements shareholders of the Company, key management personnel and board members, in each case together with the companies controlled by or affiliated with them, and investments are considered and referred to as related parties.

Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is determined on the moving average basis for each purchase. Net realisable value is the estimated selling price in the ordinary course of business, less the selling expenses to perform the sales. The company has changed calculation method of the allowance for inventories in the current period, and reserved provision for inventories above a certain age considering their marketable value.

Financial assets

Available for sale financial assets are defined as assets used for the Companymanagement's liquidity requirements or salable regardless of any maturity due to fluctuations in the interest rates. These assets are presented as non-current when management intends to hold the investment for a period longer than 12 months after balance sheet date; otherwise they are reclassified as current assets. All financial assets are recorded at cost including all acquisition costs which is also the fair value.

Derivative financial instruments and hedge accounting

Derivatives are initially recognized at cost of acquisition and are subsequently accounted to their fair value at the end of each reporting period. The method of recognizing the result of gain or loss is dependent on the nature of the item being hedged.

On the date a derivative contract is entered into, the Company designates certain derivatives as either a hedge of the fair value of a recognized asset or liability (fair value hedge) or a hedge from changes that could affect the statement of income due to a specific risk in cash flow of a forecasted transaction (cash flow hedge).

Changes in the fair value of the derivatives that are designated and qualified as cash flow hedges and that are highly effective, are recognized in equity as hedging reserve. Where the forecasted transaction or firm commitment results in the recognition of an asset or a liability, the gains and losses previously booked under equity are transferred from equity and included in the initial measurement of the cost of acquisition of the asset or liability. Otherwise, amounts booked under equity are transferred to the statement of income and classified as revenue or expense in the period in which the hedged item affects the statement of income.

When the hedging instrument expires, is sold, or when a hedge no longer meets the criteria for hedge than hedge accounting is terminated. Any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the committed or forecasted transaction ultimately is recognized in the statement of income. However, if the hedged transaction is not realized, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss of the current period.

Property, equipment and related depreciation

Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided on a straight-line basis. The depreciation periods for property and equipment, which approximate the useful lives of such assets, are as follows:

	Years
Leasehold improvements	5
Furniture and fixture	2 - 10

Property and equipment is reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of net selling price and value in use.

Intangible assets

Intangible assets include licences and computer software and non-compete agreements.

Acquired licences and computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.
Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Investments in subsidiaries

The subsidiaries are recognized at historic cost from the date on which control is transferred to the Company and tested annually for any impairment.

Borrowings

Bank borrowings are initially recognised at cost. Subsequently, bank borrowings are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the bank borrowings using the effective yield method.

Deferred income taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Provision for employment termination benefits

The provision for employment termination benefits represents the present value of the estimated total provision of the future probable obligation of the Companyarising from the retirement of the employees calculated in accordance with the laws and regulations in force in the countries where they are registered. Apart from these termination benefits, the Company has not provided any other benefits.

Provisions

Provisions are recognised when the Companyhas a present legal or constructive obligation or a result of past events, it is probable that on outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities and contingent assets

A possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Companyhave not been recognised in these financial statements and treated as contingent liabilities and contingent assets.

Capital and dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Earnings per share

Earnings per share disclosed in the comprehensive income statement has been determined by dividing net profit for the year by weighted average number of shares outstanding.

Statement of cash flows

In statement of cash flow, cash flows are classified as from operating, investment and finance activities. Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments.

3.2Use of Estimates

The preparation of these financial statements based on IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and operating costs during the reporting period. Actual results may differ from these estimates.

3.3Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.4 Change in accounting policies

Changes made in the accounting policies are applied retrospectively and prior year financial statements are restated. There are no changes in the accounting policies of the Company during the period.

3.5 Comparative information and restatement of prior period financial statements

Financial statements of the Company have been prepared comparatively with the prior period in order to give information about financial position and performance. If the presentation or classification of the financial statements is changed in order to maintain consistency, financial statement of the prior periods are also reclassified in ine with the related changes.

NOTE 4 - CASH AND CASH EQUIVALENTS

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Cash on hand	66,155.00	63,035.00
(b) Balance with Banks-In deposit accounts	374,43,730.00	16,136,960.00
Total	**375,09,885.00**	**16,199,995.00**

NOTE 5 – TRADE RECEIVABLES

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Unsecured, considered good	2844,00,345.00	280,064,505.00
Total	**2844,00,345.00**	**280,064,505.00**

NOTE 6 – SHOR-TERM LOANS & ADVANCES

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(i) Prepaid expenses - Unsecured, considered good	15,87,720.00	882,490.00
(ii) VAT & Service Tax credit receivable	370,46,800.00	8,698,830.00
(iii) Others	521,96,295.00	68,771,185.00
Total	**908,30,815.00**	**78,352,505.00**

NOTE 7 - INVENTORIES

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Trading Stocks	5253,36,855.00	292,545,435.00
(b) Goods In Transist	512,03,970.00	57,866,130.00
Total	**5765,40,825.00**	**350,411,565.00**

NOTE 8 – FIXED ASSETS

a) Tangible Assets

Amount in ₹

Particulars	**Furniture & Fixtures**	**Total**
Cost		
As at 01.01.15	**6,366,535.00**	**6,366,535.00**
Additions	3,85,121.54	3,85,121.54
Disposals	-	-
Translation adjustments	3,26,928.46	3,26,928.46
As at 31.12.15	**70,78,585.00**	**70,78,585.00**
Accumulated Depreciation		
As at 01.01.15	**2,962,645.00**	**2,962,645.00**
Additions	12,83,738.46	12,83,738.46
Disposals	-	-
Translation adjustment	1,86,001.54	1,86,001.54
As at 31.12.15	**44,32,385.00**	44,32,385.00
Carrying Amount		
As at 01.01.15	**3,403,890.00**	**3,403,890.00**
As at 31.12.15	**26,46,200.00**	**26,46,200.00**

b) Intangible assets

Amount in ₹

Particulars	**Software**	**Total**
Cost		
As at 01.01.15	**2,710,505.00**	**2,710,505.00**
Additions	-	-
Disposals	-	-
Translation adjustment	1,34,160.00	1,34,160.00
As at 31.12.15	**28,44,665.00**	**28,44,665.00**

Accumulated Depreciation	Software	Total
As at 01.01.15	**1,449,805.00**	**1,449,805.00**
Additions	8,98,616.92	8,98,616.92
Disposals	-	-
Translation adjustment	99,313.08	99,313.08
As at 31.12.15	24,47,735.00	24,47,735.00
Carrying Amount	**Software**	**Total**
As at 01.01.15	**1,260,700.00**	**1,260,700.00**
As at 31.12.15	**3,96,930.00**	**3,96,930.00**

NOTE 9- DEFFERRED TAX LIABILITIES

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Deferred Tax Liability:	33,07,750.00	9,644,355.00
Total	**33,07,750.00**	**9,644,355.00**

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below.

For calculation of deferred tax asset and liabilities, the rate of 20% is used.

NOTE 10 – SHARE CAPITAL

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Issued, Subscribed and Paid up capital	**161,41,820.00**	**15,380,540.00**

NOTE 11 – RESERVES AND SURPLUS

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Dec-15**	**31-Dec-14**
Opening Balance	1160,06,376.97	55,835,513.12
Add: Current year profit	313,23,218.46	60,170,863.85
Closing Balance	**1473,29,595.43**	**116,006,376.97**
(b) Hedge Accounting Reserve		
Opening balance	2,49,680.00	123,610.00
Add/Less:Effect of foreign exchange rate		126,070.00

variations on hedging instruments outstanding at the end of the year	(1,28,373.85)	
Closing balance	**1,21,306.15**	**249,680.00**
(c) Foreign Currency Translation reserve		
Particulars	**31-Dec-15**	**31-Dec-14**
Opening balance	28,80,093.03	(87,403.13)
Movement during the year	68,53,285.38	2,967,496.15
Closing balance	**97,33,378.41**	**2,880,093.03**
Total	**1571,84,280.00**	**119,136,150.00**

NOTE 12-BANK BORROWINGS

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Unsecured loans from Banks	4968,24,050.00	488,269,110.00
TOTAL	**4968,24,050.00**	**488,269,110.00**

NOTE 13-TRADE PAYABLES

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Trade Payables	2759,32,505.00	60,513,600.00
(b) Advance from custoemers and Other Payables	22,49,270.00	2,395,330.00
Total	**2781,81,775.00**	**62,908,930.00**

NOTE 14-OTHER CURRENT LIABILITIES

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Expenses payable	128,34,070.00	10,715,950.00
(b) Statutory remittances	197,80,345.00	8,887,935.00
(c) Advances from customers	35,06,215.00	12,607,000.00
(d) Others	27,12,355.00	1,638,910.00
Total	**388,32,985.00**	**33,849,795.00**

SENSONET TEKNOLOJİ ELEKTRONİK VE
BİLİŞİM HİZMETLERİ SANAYİ VE TİCARET LİMİTED ŞİRKETİ

NOTE 15– OTHER LONG-TERM LIABILITIES

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Others	18,52,340.00	504,280.00
TOTAL	**18,52,340.00**	**504,280.00**

NOTE 16 – REVENUE FROM OPERATIONS

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Sales	9280,78,720.77	921,882,634.62
Others	(1,28,373.85)	122,306.15
TOTAL	**9279,50,346.92**	**922,004,940.77**

NOTE 17- OTHER INCOME

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Exchange gain	5,13,495.38	183,459.23

NOTE 18- FINANCE COSTS

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Interest Expenses	537,24,454.62	**50,451,288.46**

NOTE 19- OTHER EXPENSES

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Rent	33,37,720.00	3,546,878.46
Distribution expenses	6,41,869.23	917,296.15
Travel	37,87,028.46	4,647,633.85
Professional Charges	25,03,290.00	4,097,256.15
Provision for Doubtful receivables	5,77,682.31	5,503,776.92
Miscellaneous Expenses	700,92,120.00	75,707,509.23
Total	**809,39,710.00**	**94,420,350.77**

NOTE 20 - FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The Company has no interest rate risk as at 31December2015 since there are no assets or liabilities with floating interest rate.

i) Cash flow and fair value interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

ii) Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. The Company closely monitors its customers and the risks are monitored by limiting the aggregate risk to any individual counterparty. The Company secures a portion of its receivables through the use of factoring arrangements. The Company also obtains guarantees from its customers as another mean of securing its receivables.

Financial risk factors (continued)

iii) Foreign currency risk

The Company's functional currency is the US Dollar, based on the fact that a significant portion of its sales and purchases are denominated and settled in that currency. As a result of US Dollar denomination of sales and purchases, consequently trade receivables and trade payables, the Company is not significantly exposed to changes in foreign currencies.

As the functional currency of the Company is US Dollar, the Company monitors its foreign exchange risk by analyzing the Turkish Lira denominated assets and liabilities. The Companydefines the foreign currency risk as the mismatch between Turkish Lira denominated assets and liabilities. The Company uses derivative financial instruments to hedge foreign currency risk.

NOTE 21 - FINANCIAL RISK MANAGEMENT (continued)

The Company's foreign currency risk (open exposure) is monitored by the management on a daily basis. The objective of the management is to keep the open exposure within levels determined by the Board of Directors.
As the functional currency of the Company is US Dollar, the Company defines the foreign currency risk as the mismatch between Turkish Lira denominated assets and liabilities and monitors its exposure accordingly.

iv) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.
In order to maintain or adjust the capital structure, the Company may pay out dividends, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTE 22 – SUBSEQUENT EVENTS

None.

REDINGTON BANGLADESH LIMITED

Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	**NOTE.NO**	**As at 31.03.2016**	**As at 31.03.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	2,541,000.00	2,394,000.00
	(b) Reserves and surplus	4	1,521,191.67	1,372,498.73
			4,062,191.67	**3,766,498.73**
2	**Current liabilities**			
	(a) Trade payables	5	2,515,384.18	1,806,301.73
	(b)Other current liabilities	6	93,244.54	110,130.38
	(c) Short-term provisions	7	278,149.72	232,071.97
			2,886,778.43	**2,148,504.08**
	TOTAL		**6,948,970.11**	**5,915,002.80**
B	**ASSETS**			
1	**Non-current assets**			
	Fixed assets-Tangible Assets	8	507,366.55	330,715.94
			507,366.55	**330,715.94**
2	**Current assets**			
	(a)Trade receivables	9	391,314.00	1,353,672.94
	(b) Cash and cash equivalents	10	4,897,360.78	4,016,820.96
	(c) Short-term loans and advances	11	1,152,927.08	213,792.98
			6,441,603.56	**5,584,286.87**
	TOTAL		**6,948,970.11**	**5,915,002.81**
See Accompanying notes forming part of financial statements				

REDINGTON BANGLADESH LIMITED

Stand alone statement of Profit and Loss account for the year ended March 31, 2015

Amount in ₹

Particulars	Note.No	31st March,2016 2015-16	31st March,2015 2014-15
Income:			
Other income	12	9,315,074.50	7,446,590.28
Total Revenue		**9,315,074.50**	**7,446,590.28**
Expenses:			
Employee benefits	13	6,207,900.66	4,950,414.50
Depreciation & Amortisation	8	82,539.90	60,545.19
Other expenses	14	2,929,334.17	2,353,199.58
Total expenses		**9,219,774.73**	**7,364,159.27**
Profit before tax		**95,299.77**	**82,431.01**
Profit before extraordinary items and tax		**95,299.77**	**82,431.01**
Profit before tax		**95,299.77**	**82,431.01**
Tax expense:			
Current tax	-	31,515.54	39,040.60
Profit after Tax		**63,784.23**	**43,390.41**
Profit for the Year		**63,784.23**	**43,390.41**
Earnings per equity share:			
Basic			
Diluted			
See accompanying notes forming part of financial statements			

REDINGTON BANGLADESH LIMITED

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**95,299.77**		**82,431.01**	
Adjustments for:				
- Depreciation	82,539.90		60,545.19	
- Interest Income	(88,832.61)		(104,107.74)	
Operating Profit before working capital changes	**89,007.06**		**38,868.46**	
Increase in trade receivables	962,358.94		44,187.26	
Increase in Loans & advances and Other current assets	(939,134.11)		164,888.91	
Increase in Trade Payables, Other Current Liabilities & Provisions	738,274.36		305,750.65	
Cash generated from operations	**850,506.25**		**553,695.28**	
Direct taxes paid	(31,515.54)		(39,040.60)	
Net Cash (used in) / generated from operating activities		**818,990.71**		**514,654.68**
Cash flow from investing activities:				
Purchase of fixed assets	(237,349.92)			
Interest received	88,832.61		104,107.74	
Net Cash used in investing activities		**(148,517.31)**		**353.71**
Cash flow from financing activities:				
Net Cash generated from financing activities		-		-
Net (decrease) / increase in cash and cash equivalents		**670,473.39**		**515,008.39**
Cash and cash equivalents at the beginning of the year		**4,016,820.95**		**3,376,526.70**
Currency Translation Adjustment		210,066.43		125,285.87
Cash and cash equivalents at the end of the year		**4,897,360.77**		**4,016,820.95**

Redington Bangladesh Limited
Auditor's Report and Financial Statements for the year ended 31 March 2016

S. F. AHMED & CO.
Chartered Accountants

BA
NG

Associate Firm of Ernst & Young

House # 25, Road # 13A, Block # D, Banani, Dhaka -1213, Bangladesh

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS
OF
Redington Bangladesh Limited

We have audited the accompanying financial statements of Redington Bangladesh Limited, which comprise the Statement of Financial Position as at March 31, 2016 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Redington Bangladesh Limited as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the applicable sections of the Companies Act 1994 and other applicable laws and regulations.

Emphasis of Matter

We draw attention to the note in the financial statements which describes the uncertainty related to the outcome of the lawsuit filed against the company. Our opinion is not qualified in respect of this matter.

We also report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

(b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and

(c) The company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account and returns.

S.F. Ahmed & Co

Dated, Dhaka;
May,24, 2016

S. F. Ahmed & Co.
Chartered Accountants

REDINGTON BANGLADESH LIMITED

Notes to the Financial Statements
For the year ended 31 March, 2016

1. Status and nature of business

1.1 Legal status of the company

Redington Bangladesh Limited owned by two foreign shareholders is a private limited company incorporated in Bangladesh under companies Act, 1994 (Act XVIII of 1994), on 06 April 2003 vide registration No. C-48812 (796)/2003. The registered office of the company is situated at House # 49, Road # 17, Banani Bazar, Dhaka – 1213.

1.2 Nature of business

The company has been incorporated for business of all types of Information Technology (IT) products including carrying out the business of repair/maintenance of IT products, such as, computer by setting up company's own facility or otherwise and provision of other IT related services, such as, development of software, customization and implementation of software services.

In June 2011 it came to the notice of audit that on 18 January 2006 Mrs. Rubaida Sultana, General Secretary of Bangladesh Jubo Arthanitibid Forum, filed a Title Suit No. 197/2006 against Redington Bangladesh Limited and other 12 in the 3rd Court of Assistant Judge, Dhaka. During pendency of the hearing the Plaintiff prayed for interim injunction on commercial function of Redington Bangladesh Ltd. and obtained the same on 15.01.07 on the ground that the foreign companies even having investment only about BDT 200 (two hundred only) doing business in Bangladesh and remit their profit outside the country as a result, local investors as well as bonafide foreign investors are facing unfair competition from them. An appeal against the order was filed by the Redington Bangladesh Limited in the Court of the District Judge, Dhaka, but the appeal was dismissed by the court on 22.01.2009. However, an application was filed to the same Court for reviewing the dismissed Appeal. The outcome thereof is being awaited.

2. Significant accounting policies

2.1 Accounting basis

Accounts of the company are prepared on a going concern basis under historical cost convention, and in accordance with Bangladesh Accounting Standards, including the ones so far adopted by the Institute of Chartered Accountants of Bangladesh. Wherever appropriate, such principles are explained in succeeding notes.

2.2 Revenue Recognition

Revenues are recognized only when the company is entitled to receive the fee income.

2.3 Cash flows statement:

Cash Flows Statement is prepared in accordance with the requirements of AS- 3 "Cash Flows Statement"under IndirectMethod

2.4 Provision for expenses:

While the provision for certain charges and known liabilities are made at the balance sheet date based on estimate, the difference arising there from on receipts of bills/ demands and/ or actual payments is adjusted in the subsequent year when such liabilities are settled.

2.5 Transactions in foreign currencies

Transactions in foreign currencies are translated into Bangladesh Taka at the exchange rates prevailing on the respective dates of transactions.

2.6 Fixed assets are recorded at historical cost less accumulated depreciation. Assets are depreciated on reducing balance method using the following:

Category of assets	Rate of depreciation
Furniture and fixtures	10%
Computer and accessories	25%
Office equipments	20%

2.7 Integral components of the financial statements

(i) Statement of Financial Position as at 31 March 2016.
(ii) Statement of Comprehensive Income for the year ended 31 March 2016.
(iii) Statement of Changes in Equity for the year ended 31 March 2016.
(iv) Statement of Cash Flows for the year ended 31 March 2016.
(vi)(v) Notes to the Financial Statements for the year ended 31 March 2016.

3. Share Capital:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Authorised Capital	84,70,000.00	79,80,000.00
Issued Subscribed capital	**25,41,000.00**	**23,94,000.00**

Share holder's position

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Redington Distribution Private Ltd. (incorporated in Singapore)	2,51,559.00	2,37,006.00
Redington Gulf FZE (incorporated in UAE)	2,541.00	2,394.00

4. Reserves and Surplus:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Opening Balance	11,95,397.97	1,152,007.56
Add: Current year profit	63,784.23	43,390.41
Closing Balance	**12,59,182.19**	**1,195,397.97**
(b) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	1,77,100.76	127,995.83
Movement during the year	84,908.72	49,104.93
Closing balance	**2,62,009.48**	**177,100.76**
Total	**15,21,191.67**	**1,372,498.73**

5. Trade Payables:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Expense Payable	**25,15,384.18**	**1,806,301.73**

6. Other Current Liabilities:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Other payable	**93,244.54**	**110,130.38**

7. **Short term Provisions:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Provision For Taxation	**2,78,149.72**	**232,071.97**

Provision for Income tax has not been made as the income of the company is exempted from Tax Liability in accordance with Section 44(1) of Chapter VI and paragraph 33, Part A of 6th schedule of the Income Tax Ordinance 1984.

8. Fixed Assets:

Amount in ₹

Particulars	**Furniture & Fixtures**	**Office equipments**	**Computers**	**Total**
Cost				
As at 01.04.15	3,99,000.00	1,09,294.08	5,32,856.52	10,41,150.60
Additions	-	-	2,37,349.92	2,37,349.92
Translation adjustments	24,500.00	6,711.04	35,070.34	66,281.38
As at 31.03.16	**4,23,500.00**	**1,16,005.12**	**8,05,276.78**	**13,44,781.90**
Accumulated Depreciation				
As at 01.04.15	2,79,963.14	87,255.71	3,43,215.81	7,10,434.66
Additions	12,510.77	4,632.94	65,396.19	82,539.90
Translation adjustment	17,314.64	5,403.70	21,722.44	44,440.78
As at 31.03.16	**3,09,788.56**	**97,292.35**	**4,30,334.44**	**8,37,415.35**
Carrying Amount				
As at 1.04.15	**1,19,036.86**	**22,038.37**	**1,89,640.71**	**3,30,715.94**
As at 31.03.16	**1,13,711.44**	**18,712.77**	**3,74,942.34**	**5,07,366.55**

9. **Trade Receivables:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured, considered good	**3,91,314.00**	**1,353,672.94**

10. Cash and Cash Equivalents:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-14**
Balances with banks	48,97,360.78	4,016,820.96
Total	**48,97,360.78**	**4,016,820.96**

11. Short Term Loans and Advances(Unsecured and Considered good)

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Security deposits	93,170.00	87,780.00
(b)Accrued interest	2,979.75	-
(c) Prepaid Taxes	1,42,017.34	126,012.98
(d) Advances to suppliers&Other advances	9,14,760.00	-
Total	**11,52,927.08**	**213,792.98**

12. Other Income:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Fee Income	92,26,241.89	7,342,482.54
(b) Interest Income bank deposits	88,832.61	104,107.74
Total	**93,15,074.50**	**7,446,590.28**

13. Employee benefits:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Salaries and Bonus	**62,07,900.66**	**4,950,414.50**

14. Other Expenses:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Rent	7,59,733.62	514,054.06
Freight	73,731.12	63,327.69
Repairs and Maintenance	-	2,397.35
Utilities	1,31,630.24	109,087.15
Communication	3,95,798.19	267,014.93
Travel	5,58,928.04	301,829.91
Conveyance	52,388.92	48,568.68
Professional Charges	57,869.77	62,881.23
Auditor's Remuneration	3,32,751.17	311,851.60
Bank Charges	14,282.93	15,432.63
Miscellaneous Expenses	5,52,220.18	656,754.37
Total	**29,29,334.17**	**2,353,199.58**

15. General

i) Figures shown in the accounts have been rounded off to the nearest Indian Rupee

ii) Previous year figures have been re-arranged where necessary to conform to current year's presentation;

iii) There were no material events occurring after the Balance Sheet date, which could affect the transactions of the Financial Statements;

iv) All shares have been fully called up and paid up;

v) There was no Contingent Liability;

REDINGTON SL (PRIVATE) LIMITED
Standalone Balance Sheet as at 31 March, 2016

	Particulars	Note.No	Amount in ₹ As at 31.03.2016	As at 31.03.2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	4	12,963,407.80	13,279,102.90
	(b) Reserves and surplus	5	19,444,808.79	15,663,016.63
			32,408,216.59	**28,942,119.53**
	Money received against share warrants			
2	**Minority Interest**			
	Share application money pending allotment			
2	**Non-current liabilities**			
	(a) Deferred tax liabilities (Net)	9	-	208,505.87
	(c) Long-term provisions	6	2,019,653.45	1,183,746.98
			2,019,653.45	**1,392,252.85**
2	**Current liabilities**			
	(a) Short-term borrowings		-	-
	(a) Trade payables	7	69,078,625.88	37,147,278.36
	(b)Other current liabilities	8	222,993,549.10	174,193,517.23
	(c) Short-term provisions	10	-	683,518.64
			292,072,174.98	**212,024,314.23**
	TOTAL		**326,500,045.02**	**242,358,686.51**
B	**ASSETS**			
1	**Non-current assets**			
	Fixed assets			
	(i) Tangible assets	11	4,821,183.47	1,518,369.93
	(ii) Intangible assets		132,739.19	47,968.11
	(c)Deferred tax assets (net)	9	2,829,856.18	-
			7,783,778.84	**1,566,338.04**
2	**Current assets**			
	(a) Inventories	13	78,622,483.52	112,143,016.15
	(b)Trade receivables	14	220,509,696.18	91,470,662.41
	(c) Cash and cash equivalents	15	13,087,995.26	31,920,108.28
	(e) Short-term loans and advances	16	6,496,091.23	5,258,561.63
			318,716,266.18	**240,792,348.47**
	TOTAL		**326,500,045.02**	**242,358,686.51**

REDINGTON SL (PRIVATE) LIMITED
Statement of Profit and Loss

Amount in ₹

Particulars	Note No.	31st March,2016 2015-16	31st March,2015 2014-15
Income			
Revenue from operations	17	1,191,350,661.94	844,721,878.95
Other income	18	22,441,296.57	7,034,151.04
Total Revenue		**1,213,791,958.51**	**851,756,029.99**
Expenses:			
Purchases of trading stock		1,105,007,976.73	829,856,126.09
Changes in inventories of trading stock		33,520,532.64	(40,051,561.71)
Employee benefits	19	18,716,041.00	16,432,521.93
Finance costs	20	3,683,952.86	2,183,832.51
Depreciation & Amortisation	11	1,091,652.12	1,050,957.53
Other expenses	21	50,568,740.08	37,481,254.73
Total expenses		**1,212,588,895.43**	**846,953,131.08**
Profit before tax		**1,203,063.08**	**4,802,898.91**
Exceptional items			-
Profit before extraordinary items and tax		**1,203,063.08**	**4,802,898.91**
Extraordinary Items			-
Profit before tax		**1,203,063.08**	**4,802,898.91**
Tax expense:			
Current (tax)/ saving		3,092,155.34	(4,548,082.66)
Profit after Tax		**4,295,218.43**	**254,816.25**

REDINGTON SL (PRIVATE) LIMITED

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**1,203,063.08**		**4,802,898.91**	
Adjustments for:				
- Depreciation	1,091,652.12		1,050,957.53	
Operating Profit before working capital changes	**2,294,715.20**		**5,853,856.44**	
Decrease in Trade receivables	(129,039,033.77)		2,371,010.09	
(Increase)/Decrease in Loans & advances and Other current assets	(4,067,385.77)		1,381,749.36	
(Increase)/ Decrease in Inventories	33,520,532.64		(40,051,561.71)	
Increase/(Decrease) in Trade Payables, Other Current Liabilities & Provisions	80,675,261.35		39,725,158.19	
Cash generated from operations	**(16,615,910.35)**		**9,280,212.36**	
Direct taxes(paid)/ saving	3,092,155.34		(4,548,082.66)	
Net Cash (used in) / generated from operating activities		**(13,523,755.00)**		**4,732,129.70**
Cash flow from investing activities:				
Purchase of fixed assets	(4,864,453.48)		(414,821.71)	
Proceeds from sale of fixed assets	231,686.80		10,347.43	
Net Cash used in investing activities		**(4,632,766.67)**		**(404,474.28)**
Cash flow from financing activities:				
Net Cash generated from financing activities		-		-
Net (decrease) / increase in cash and cash equivalents		**(18,156,521.68)**		**4,327,655.42**
Cash and cash equivalents at the beginning of the year		**31,920,108.28**		**27,137,472.31**
Currency Translation Adjustment		(675,591.34)		454,980.55
Cash and cash equivalents at the end of the year		**13,087,995.26**		**31,920,108.28**

REDINGTON SL (PRIVATE) LIMITED
FOR THE YEAR ENDED 31ST MARCH 2016

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REDINGTON (PVT) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Redington SL (Pvt) Ltd., which comprise the balance sheet as at 31st March 2016, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error: selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the company maintained proper accounting records for the year ended 31st March 2016 and the financial statements give a true and fair view of the state of affairs of the company as at 31st March 2016 and of its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on other Legal Requirements

In our opinion, these financial statements also comply with the requirements of Section 151 (2) of the Companies Act No.7 of 2007.

SJMS Associates
Chartered Accountants
Colombo
Date :May,24,2016

REDINGTON SL (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016

1. General information

1.1. Reporting entity

Redington SL (Pvt) Limited, is a limited liability company incorporated on 28th October 2009 and domiciled in Sri Lanka. The registered office and the principal place of the company is located at No. 12,Visaka Road, Colombo 04, Sri Lanka.

1.2. Principal activities and nature of operations

Redington SL (Pvt) Ltd is an authorized wholesale distributor of information technology products, computer accessories and computer software in Sri Lanka.

1.3. Parent company

The parent undertaking and controlling party is Redington Distribution (Pte) Ltd, which is incorporated in Singapore and holds 100% of the issued share capital of the company as at the balance sheet date and the ultimate parent company is Redington (India) Limited, in the directors opinion.

1.4. Date of authorization for issue

The Financial Statements of the company for the year ended 31st March 2016 were authorized for issue by the Directors on April ---, 2016.

2. Preparation of financial statements

2.1 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with SLAS requires management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. In the selection and application of the company's accounting policies, which are described below, the directors are required to make judgments and assumptions and use assumptions in measuring items reported in the financial statements. These estimates are based on management's knowledge of current facts and circumstances, and assumptions based on such knowledge and expectations of future events. Actual results may differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods as well, if the revision affects both current and future periods.

Revisions to accounting estimates are dealt with in accordance with Sri Lanka Accounting Standard No. 10 (Revised 2005) Accounting Policies, Changes in Accounting Estimates and Errors.

2.2 Basis of preparation

These financial statements have been prepared on a historical cost basis except for provisions against bad and doubtful debts and depreciation of property and equipment and obsolescence.
No adjustments is made for inflationary factors affecting these accounts.

2.3 Statement of compliance

These financial statements are prepared in accordance with Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka..

2.4 Going concern

When preparing the financial statements, the directors have made an assessment of the ability of the company to continue as a going concern in the foreseeable future and they do not foresee a need for liquidation, cessation of trading or materially curtailing the scale of operations taking into account all available information about the future.

2.5 Functional and presentation currency

In determining the functional currency of the entity the management is of the view that the currency which most faithfully represents the economic effect of the underlying transactions, events and conditions is Sri Lankan Rupees which is also the presentation currency.

2.6 Transactions in foreign currencies

All transactions in currencies other than the functional currency are recorded in Sri Lankan rupees, using the exchange rate prevailing at the time in which the transactions were effected. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are re-translated to Sri Lankan rupee equivalents at the exchange rate prevailing on the balance sheet date. Nonmonetary assets and liabilities denominated in foreign currencies are not re-translated. Exchange differences arising on the settlement of monetary items and re-translation of monetary items, are recognized in profit or loss in the year in which they arise.

2.7 Events after the date of statement of financial position

All significant events after the statement of financial position date are considered and where necessary adjustments/disclosures are made in the financial statements.

3. Significant accounting policies

3.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. All items of property and equipment are initially recorded at cost. Subsequent expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business is treated as capital expenditure. The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The carrying amount of an item of property and equipment is derecognized on disposal or when no further economic benefits are expected from its use or disposal.

Depreciation
Provision for depreciation is calculated using the straight-line method on the cost of property and equipment other than freehold land in order to allocate the depreciable amount over the estimated useful life of such assets. The estimated useful lives of assets are as follows:

	Years
Computer and related accessories	05
Furniture and fittings	04
Equipment and others	04

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

3.2 Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is reduced to its recoverable amount. Impairment losses of continuing operations are recognized in the income statement in those expense categories consistent with the function of the impaired asset. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. Previously recognized impairment losses are reversed only if there has been an increase in the recoverable amount of such asset. Such increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

3.3 Inventories
Inventories are valued at each balance sheet date at the lower of their weighted average cost or net realizable value. Cost includes all expenses incurred in bringing inventories to their present condition and location. These normally include purchase cost, freight and clearing charges and applicable taxes. Net realizable value represents the estimated selling price for inventories less at estimated cost of completion and cost necessary to make sales.

3.4 Trade and other receivables

Trade and other receivables are stated at the amounts they are estimated to realize, net of provisions for bad and doubtful receivables.

3.5 Trade and other payables

Trade and other payables are stated at the higher of their contracted amounts or the amount they are expected to be settled.

3.6 Retirement benefit obligations Defined contribution plans

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with the respective statues and regulations. The company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

3.7 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.8 Promotional funds

Funds received from suppliers for the purpose of promoting their brand is set off against relevant expenses. Amounts unutilised at each balance sheet date are treated as liabilities.

3.9 Current Income Taxes

Current income tax is based on the elements of income and expenditure as reported in the financial statements and is computed in accordance with provisions of Inland Revenue Act No. 10 of 2006 and its subsequent amendments there to.

3.10 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for distributed Information Technology products and their parts in the ordinary course of business. Revenue is shown net of value added tax and discounts.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

3.11 Expenditure Recognition

Expenses are recognized on an accrual basis. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to revenue in arriving at the profit/loss for the year.

For the purpose of presentation, of the income statement, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the company's performance.

REDINGTON SL (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016

3.12 Earnings per share

The company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

3.13 Financial Leases

Assets purchased under financial leases are capitalized and the resulting lease obligations are included in the creditors net of interest in suspense. Interest included in lease rentals is charged to the Income statement over the period of lease on the sum of digit method.

3.14 Intangible Assets

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.15 Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand , demand deposits and short term highly liquid investments which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, Cash and cash equivalents consists of cash in hand, deposits in bank and short-term investments.

3.16 Derivative financial instruments

The company enters into Derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. These derivatie contracts are initially recognized at fair value at the date these contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

4. Share Capital:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up	**129,63,407.80**	**13,279,102.90**

5. Reserves and Surplus:

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Mar-15**	**31-Mar-15**
Opening Balance	147,92,063.39	14,537,247.14
Add: Current year profit	42,95,218.43	254,816.25
Closing Balance	**190,87,281.82**	**14,792,063.39**
(b) Foreign Currency Translation reserve		
Opening balance	8,70,953.24	606,560.24
Movement during the year	(5,13,426.27)	264,393.00
Closing balance	**3,57,526.97**	**870,953.24**
Total	**194,44,808.79**	**15,663,016.63**

6. Long term provisions:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Provision For Gratuity	10,49,997.29	1,183,746.98
Warranty obligations	9,69,656.16	--
Total	**20,19,653.45**	**11,83,746.98**

7. Trade Payables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trade Payables	495,38,100.20	24,521,665.97
(b) Expense Payable	150,03,601.42	3,564,228.69
(c) Other Payables	45,36,924.26	9,061,383.69
Total	**690,78,625.88**	**37,147,278.36**

8. Other Current liabilities:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Due to related parties*	2229,93,549.10	174,193,517.23
Total	**2229,93,549.10**	**174,193,517.23**

*The entire amount is due to Redington Distribution Pte Limited

9. Deferred Tax Liability/Asset

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Net Deferred Tax Liability	**28,29,856.18**	**208,505.71**

10. Short- Term Provisions:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Provision For Taxation	--	683,518.64
TOTAL	**--**	**683,518.64**

11. Fixed Assets:

a. Tangible Assets:

Particulars	Furniture & Fixtures	Computers	Vehicles	Total
Cost				
As at 01.04.15	15,04,332.19	18,48,919.25	4,21,622.37	37,74,873.81
Additions	38,17,403.87	9,05,572.27	-	47,22,976.15
Disposals	13,20,606.54	-	-	13,20,606.54
Translation adjustments	(1,17,759.56)	(73,695.24)	(10,023.58)	(2,01,478.38)
As at 31.03.16	**38,83,369.96**	**26,80,796.28**	**4,11,598.80**	**69,75,765.04**
Accumulated Depreciation				

As at 01.04.15	10,39,808.71	8,93,451.44	3,23,243.74	22,56,503.89
Additions	5,25,594.42	4,28,293.56	85,115.44	10,39,003.42
Disposals	10,88,919.73	-	-	10,88,919.73
Translation adjustment	(6,220.40)	(35,306.09)	(10,479.97)	(52,006.46)
As at 31.03.16	**4,70,262.99**	**12,86,438.90**	**3,97,879.22**	**21,54,581.11**
Carrying Amount				
As at 01.04.15	**464,523.48**	**955,467.82**	**98,378.63**	**1,518,369.93**
As at 31.03.16	**34,13,106.97**	**13,94,357.38**	**13,719.58**	**48,21,183.93**

a. Intangible Assets:

Amount in ₹

Particulars	**Software**	**Total**
Cost		
As at 01.04.15	**18,21,039.80**	**18,21,039.80**
Additions	1,41,477.33	1,41,477.33
Disposals	-	-
Translation adjustment	(47,939.26)	(47,939.26)
As at 31.03.16	**19,14,577.87**	**19,14,577.87**
Accumulated Depreciation	**Software**	**Total**
As at 01.04.15	**17,73,071.69**	**17,73,071.69**
Additions	52,648.70	52,648.70
Disposals	-	-
Translation adjustment	(43,881.70)	(43,881.70)
As at 31.03.16	**17,81,838.68**	**17,81,838.68**
Carrying Amount	**Software**	**Total**
As at 01.04.15	**47,968.11**	**47,968.11**
As at 31.03.16	**1,32,739.19**	**1,32,739.19**

13. Inventories:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Trading Stocks	786,22,483.52	93,357,192.40
(b) Goods In Transist	-	18,785,823.75
Total	**786,22,483.52**	**112,143,016.15**

14. Trade receivables:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Unsecured, considered good	**2205,09,696.18**	**91,470,662.41**

15. Cash and Cash Equivalents:

Amount in ₹

Cash and cash equivalents		
Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	75,763.99	11,681,908.50
(b) Balances with banks	130,12,231.27	20,238,199.78
Total	**130,87,995.26**	**31,920,108.28**

16 .Short term Loans and Advances:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Security deposits	37,22,242.39	2,079,033.33
(b) Loans and advances to employees	3,77,085.16	538,301.62
(c) Prepaid Taxes	4,95,256.78	683,518.64
(d) Advances to suppliers	-	1,957,708.04
(e) Foreign Exchange Fgorward contracts receivable	8,76,853.00	
(f) others	10,24,653.90	
Total	**64,96,091.23**	**5,258,561.63**

17. Revenue from Operations:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i)Sales	11913,50,661.94	844,721,878.95
(ii) Supplier Rebates	-	
Total	**11913,50,661.94**	**844,721,878.95**

18. Other Income:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a)Interest Income bank deposits	3,01,569.16	810,561.25
(b) Exchange gain	13,60,367.70	1,962,269.41
(c) Bad Debts Written off in earlier years recovered	-	404,995.55
Reversal of Inventory Obsolecence	97,95,198.18	--
reversal of gratuity provision	1,09,193.45	--
(d) Other non operating income	108,74,968.08	3,856,324.82
Total	**224,41,296.57**	**7,034,151.04**

19. Employee Benefits:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Salaries and Bonus	171,87,952.91	13,121,842.42
(ii) Contribution to Provident Fund and other Funds	9,73,653.41	2,840,163.10
(iii) Welfare Expenses	5,54,434.68	470,516.40
Total	**187,16,041.00**	**16,432,521.93**

20. Finance Cost:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Interest Expenses	**36,83,952.86**	**2,183,832.51**

21. Other Expenses:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Rent	29,90,533.43	
Commercial Taxes	6,28,455.32	
Repairs and Maintenance	3,43,013.72	
Insurance	1,50,241.67	
Distribution expenses	308,14,946.35	
Rates and Taxes	23,249.50	
Communication	11,43,405.00	
Printing and Stationery	2,56,863.36	
Advertisement	1,55,144.36	
Travel	10,77,709.94	
Conveyance	89,259.85	
Professional Charges	3,12,876.51	
Auditor's Remuneration	2,73,370.31	1,35,704.01
Exchange Gain/(Loss) Net	68,89,938.07	
Loss on Sale of Fixed Assets	1,61,631.96	
Electricity charges	8,35,841.67	
Donation	9,425.54	
Miscellaneous Expenses	44,12,833.52	373,45,550.72
Total	**505,68,740.08**	**37,481,254.73**

22. Commitments and Contingencies

Capital commitments

There were no significant commitments or contingencies.

Contingent Liabilities

There were no Contingent liabilities as at the reporting date.

23. Events occurring after the balance sheet date

No significant event has taken place since the balance sheet date that requires adjustments to or disclosure in these financial statements.

Redington Rwanda Limited
Stand alone Balance Sheet as at 31 March,2016

Amount in ₹

	Particulars	Note No.	As at 31.3.2016	As at 31.3.2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital		-	-
	(b) Reserves and surplus	3	(313,790.50)	(811,459.67)
			(313,790.50)	**(811,459.67)**
2	**Current liabilities**			
	Trade payables	4	8,999,620.93	9,760,121.49
	Short-term provisions	5	14,291.36	197,904.00
			9,013,912.29	**9,958,025.49**
	TOTAL		**8,700,121.79**	**9,146,565.83**
B	**ASSETS**			
	Current assets			
	(a)Trade receivables	6	-	8,151,689.47
	(b) Cash and cash equivalents	7	780,826.75	994,876.36
	(c) Short- term loans & advances	8	7,919,295.44	-
			8,700,122.19	**9,146,565.83**
	TOTAL		**8,700,121.79**	**9,146,565.83**

Redington Rwanda Limited

Standalone statement of Profit and Loss account for the Period ended March 31, 2016

Amount in ₹

Particulars	Note No	31st March,2016 2015-16	31st March,2015 2014-15
Income			
Revenue from operations		-	-
Total Revenue		**-**	
Expenses:			
Purchases of trading stock		912,266.76	-
Changes in inventories of trading stock		-	-
Employee benefits	9	-	10,996.34
Other expenses	10	316,415.28	1,779,373.62
Total expenses		**1,228,682.04**	**1,790,369.96**
Profit before tax		**(1,228,682.04)**	**(1,589,176.97)**
Tax expense:			
Current tax		-	-
Profit after Tax		**(1,228,682.04)**	**(1,589,176.97)**

Redington Rwanda Limited

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**(1,228,682.04)**		**(1,589,176.97)**	
Operating Profit before working capital changes	**(1,228,682.04)**		**(1,589,176.97)**	
Increase in Trade receivables	8,151,689.47		(890,818.50)	
Increase in Loans & advances and Other current assets	(7,919,295.44)		7,904.57	
Increase in Inventories			-	
Increase in Trade Payables, Other Current Liabilities & Provisions	(944,113.20)		1,486,770.24	
Cash generated from operations	**(1,940,401.21)**		**(985,320.66)**	
Direct taxes paid	-			
Net Cash (used in) / generated from operating activities		**(1,940,401.21)**		**(985,320.66)**
Cash flow from investing activities:				
Net Cash used in investing activities		-		
Cash flow from financing activities:				
Net Cash generated from financing activities		-		-
Net (decrease) / increase in cash and cash equivalents		**(1,940,401.21)**		**(985,320.66)**
Cash and cash equivalents at the beginning of the year		**994,876.36**		**1,546,686.37**
Currency Translation Adjustment		1,726,351.61		433,510.65
Cash and cash equivalents at the end of the year		**780,826.75**		**994,876.36**

REDINGTON RWANDA LTD

AUDIT REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 March 2016

CORPORATE INFORMATION

Directors

Mr. Raj Shankar	Chairman
Mr. Sriram Ganeshan	Director
Thyagarajulu Kadiyala	Regional Manager

Registered Office	**REDINGTON RWANDA LTD** C/O Africa Rwanda Ltd Plot 5016 Gikondo Kigali Sulfo House Ground Flr N°A3 P.O Box 326 Kigali-Rwanda
Auditors	**GPO PARTNERS RWANDA LTD** Boulevard de l'Umuganda Aurore House– Kacyiru B.P. 1902 Kigali, Rwanda
Bankers	**BANK OF KIGALI** **Avenue de la paix** **P.O Box 175** Kigali-Rwanda

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 March 2016.

ACTIVITIES

The Company’s principal activity is the marketing of home furniture’s and apparels.

RESULTS

Turnover for the year was INR Nil (2015 NIL) resulting in Loss of INR 12,28,682.04 (2015- □.1,589,176.97)

DIRECTORS

The membership of the board of directors and management during the year ended 31 March 2016 is detailed.

AUDITORS

GPO Partners Rwanda ltd, having been appointed during the year, has expressed their willingness to continue in office in accordance with Laws and regulations of Rwanda.

BY ORDER OF THE BOARD OF DIRECTOR

Kigali, 24/05/2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The law Governing Enterprises in Rwanda requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society as at the end of the financial year and of the operating results of the society for that year. It also requires the directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the society. They are also responsible for safeguarding the assets of the society.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards and in the manner required by the law. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the society and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

Sd:-.	Sd:-
Director	Director
May,24,2016	May,24,2016
Date	Date

INDEPENDENT AUDITOR'S REPORT

To: Members of REDINGTON RWANDA LTD

We have audited the financial statements of REDINGTON RWANDA LTD which comprise the statement of financial position as at March 31, 2015 and the statement of comprehensive incomes and the statement of change in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of REDINGTON RWANDA LTD as of March 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International reporting Standards, and comply with the Laws and regulations of Rwanda.

Report on Other Legal and Regulatory Requirements

As required by the Rwandan Companies Act we report to you, based on our audit the following:

(1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
(2) In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books;
(3) The company's Statement of Financial position and statement of comprehensive income are in agreement with the books of account.
(4) The audit team members do not have any interest, loans to or from this client or any related entity or any significant shareholder, officer or director thereof.

For GPO PARTNERS RWANDA LTD

Patrick GASHAGAZA
Partner

May,24,2016

NOTES TO THE FINANCIAL STATEMENTS - 31 March 2016

1 GENERAL

REDINGTON RWANDA LTD is a legally registered company operating in Rwanda. It offers electronic equipments.

REDINGTON RWANDA LTD. was established on -----------.

2 SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards. The principal accounting policies adopted in the preparation of these financial statements are set out below.

INCOME RECOGNITION

Income is recognized on accruals basis of accounting and is expressed net of sales tax, Value Added Tax and discounts.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less depreciation. The cost of purchased property and equipment is the value of consideration given to acquire the assets and the value of other directly attributed costs, which have been incurred in bringing the assets to the location and condition necessary for their intended service.

DEPRECIATION

Depreciation is calculated to write off the cost of property, plant and equipment on a straight line basis, over their estimated useful lives at the following annual rates:

Motor vehicles	25%
Furniture and Fittings	25%
Computer Equipment	33 %

Excess depreciation, representing the additional depreciation following revaluations of property, plant and equipment over depreciation based on historical cost, is transferred annually from revaluation surplus to revenue reserve.

NOTES TO THE FINANCIAL STATEMENTS - 31 March 2016 (CONTINUED)

STOCKS VALUATION

Stocks are valuated by using the *Weighted Average Method* cost formula. The Weighted Average Method assumes that the items of inventory that were purchased or produced are averaged out with the moving average price lying in the system for inventory, and consequently the items remaining in inventory at the end of the period are those with moving average price.

FOREIGN CURRENCIES

Assets and liabilities expressed in foreign currencies are translated into Rwandese Francs at the rates of exchange ruling at the balance sheet date. Transactions during the year are translated at the rates ruling at the dates of the transactions. Gains or losses on exchange are dealt with in the income statement.

RETIREMENT BENEFIT

The company contributes to the statutory Social Security Fund on behalf of its employees. The company's obligations under the scheme are specific contributions legislated from time to time and are currently limited to 5% of the respective employees' gross salaries. The company's contributions are charged to the income statement in the year in which they relate.

BAD AND DOUBTFUL DEBTS

Specific provision is made for all known doubtful debts. Bad debts are written off when all reasonable steps to recover them have been taken without success.

COMPONENTS OF CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash is considered to be cash on hand and in operating bank accounts.

COMPARATIVES

2013 was the first year for REDINGTON RWANDA LTD to produce the financial statements. Therefore there is no comparative to current year financial statements

NOTES TO THE FINANCIAL STATEMENTS - 31 March 2016 (CONTINUED)

3. Reserves and Surplus

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	(12,50,709.12)	338,467.85
Add: Current year profit	(12,28,682.04)	(1,589,176.97)
Closing Balance	**(24,79,391.16)**	**(1,250,709.12)**
(b) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	4,39,249.46	5,738.81
Movement during the year	17,26,351.21	433,510.65
Closing balance	**21,65,600.67**	**439,249.46**
Total	**(3,13,790.50)**	**(811,459.66)**

4. Trade Payables

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trade Payables	7,96,021.92	786,792.25
(b) Expenses payables	1,32,534.17	-
(c) Due to related parties	80,71,064.84	8,973,329.24
Total	**89,99,620.93**	**9,760,121.49**

5. Short – Term Provisions

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Provision – Audit fees:	-	197,904.00
Provision For Tax	14,291.36	-
Total	**14,291.36**	**197,904.00**

6. Trade Receivables

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Unsecured, considered good	-	8,151,689.47
Total	**-**	**8,151,689.47**

7. Cash and cash equivalents

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Cash in Hand	0.62	-
Balance with Banks-In deposit accounts	7,80,826.13	994,876.36
Total	**7,80,826.75**	**994,876.36**

8. Short-term loans and advances (Unsecured & considered good)

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a)Prepaid expenses	76,39,070.12	-
(b) Other Receivables	2,80,225.32	-
Total	**79,19,295.44**	**-**

9. Employee Benefits

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Salaries and Bonus	-	10,996.34
(ii) Contribution to Provident Fund and other Funds	-	-
(iii) Welfare Expenses	-	-
Total	**-**	**10,996.34**

10. Other Expenses

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Repairs and Maintenance	-	28,427.40
Professional Charges	1,29,075.79	169,650.93
Bad Debts	-	-
Auditor's Remuneration	-	304,695.30
Exchange Gain/(Loss) Net	1,87,339.49	-
Miscellaneous Expenses	-	1,276,600.00
Total	**3,16,415.28**	**1,779,373.62**

11. CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities accrued to the company as at 31 March 2016.

12. REPORTING CURRENCY

The financial statements are presented in Indian Rupee (INR).

13. INCORPORATION

The Company is incorporated in Rwanda as a limited liability company and is domiciled in Rwanda.

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Redington Kazhakaztan LLP
Stand alone Balance Sheet as at 31 December,2015

Amount in ₹

	Particulars	Note No.	As at 31.12.2015	As at 31.12.2014
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	4	2,723,709.25	4,822,496.00
	(b) Reserves and surplus	5	(459,726,569.60)	(193,220,191.52)
			(457,002,860.35)	**(188,397,695.52)**
2	**Current liabilities**			
	(a) Trade payables	6	876,084,771.81	743,817,993.94
	(b)Other current liabilities	7	32,490,820.70	1,648,260.24
			908,575,592.51	**745,466,254.18**
	TOTAL		**451,576,617.62**	**557,068,558.66**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i)Tangible assets		1,083,072.69	5,014,362.45
	(ii)Intangible assets		71,103.96	172,232.00
			1,154,176.65	**5,186,594.45**
	Current assets			
	(a) Inventories	8	88,127,730.40	130,265,950.88
	(b)Trade receivables	9	357,253,517.18	380,311,679.55
	(c) Cash and cash equivalents	10	318,802.20	17,244,212.30
	(c) Short-term loans and advances	11	4,722,391.19	24,060,121.47
			450,422,440.97	**551,881,964.21**
	TOTAL		**451,576,617.62**	**557,068,558.66**

Redington Kazhakaztan LLP

Standalone statement of Profit and Loss account for the Period ended December 31, 2015

Amount in ₹

Particulars	Note No	31st December,2015	31st December,2014
		2014-15	2013-14
Income			
Revenue from operations	12	1,469,035,464.53	848,598,140.26
Other income	13	-	18,736,745.38
Total Revenue		**1,469,035,464.53**	**867,334,885.63**
Expenses:			
Cost of Materials consumed			
Purchases of trading stock		1,388,289,871.88	800,145,720.33
Changes in inventories of trading stock		(25,992.56)	1,244.35
Depreciation & Amortisation		2,722,439.73	-
Other expenses	14	411,324,626.15	191,653,099.49
Total expenses		**1,802,310,945.20**	**991,800,064.17**
Profit before tax		**(333,275,480.66)**	**(124,465,178.54)**
Exceptional items			-
Profit before extraordinary items and tax		**(333,275,480.66)**	**(124,465,178.54)**
Extraordinary Items			-
Profit before tax		**(333,275,480.66)**	**(124,465,178.54)**
Tax expense:			
Current tax		-	
Prior year tax provisions written back			
Deferred tax		-	-
Profit after Tax		**(333,275,480.66)**	**(124,465,178.54)**

Redington Kazhakaztan LLP
Cash Flow Statement for the year ended December 31, 2015

Amount in ₹

Particulars	Year Ended December 31, 2015		Year Ended December 31, 2014	
Cash flow from operating activities:				
Net Profit before taxation	**(333,275,480.66)**		**(124,465,178.54)**	
Adjustments for:				
- Depreciation	4,032,417.80			
Operating Profit before working capital changes	**(329,243,062.87)**		**(124,465,178.54)**	
Increase in Trade receivables	23,058,162.37		(76,362,586.25)	
Increase in Loans & advances and Other current assets	19,341,615.75		(3,627,699.12)	
Increase in Inventories	42,138,220.48		1,244,352.83	
Increase in Trade Payables, Other Current Liabilities & Provisions	163,109,338.34		192,762,985.62	
Cash generated from operations	**(81,595,725.93)**		**(10,448,125.45)**	
Net Cash (used in) / generated from operating activities		**(81,595,725.93)**		**(10,448,125.45)**
Cash flow from investing activities:				
Purchase of fixed assets	-		3,461,401.89	
Net Cash used in investing activities		**-**		**3,461,401.89**
Cash flow from financing activities:				
Net Cash generated from financing activities		**-**		**-**
Net (decrease) / increase in cash and cash equivalents		**(81,595,725.93)**		**(6,986,723.56)**
Cash and cash equivalents at the beginning of the year		**17,244,212.30**		**13,939,420.56**
Currency Translation Adjustment		64,670,315.83		10,291,515.31
Cash and cash equivalents at the end of the year		**318,802.20**		**17,244,212.30**

Redington Kazakhstan Limited Liability Partnership

AUDIT REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2015

1. REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 December 2015.

2. RESULTS

Turnover for the year was **INR 14690,35,464.53** resulting in a loss of **INR (3332,75,480.66)**

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

3. Financial statements bases

These financial statements have been prepared in accordance with the International Financial Reporting Standards (herein referred to as IFRS). These financial statements have been represented in thousands of Kazakhstan Tenge (herein referred to as KZT).

Basic Provisions Of accounting Policy

Money and their equivalents:

Money and their equivalents include money on bank accounts and in cash office.

Accounts Receivable :

The accounts receivable are reflected in the amount of bill issued less the provision for doubtful debts. The provision for doubtful debts are recognised provided that there are evidences that the company will not obtain the outstanding sum within the term prescribed by the contract. When forming the provision for doubtful debts the Company applies the method of bills accounting according to the terms of payment. In so doing, the balances on accounts receivable are analyzed according to the terms of payment. If a buyer missed the term of payment, a bill is unlikely to be paid.

When the provision for doubtful debts is formed for the first time, the totals sum thereof is recorded as the costs of the reporting period in the aggregate income statement.

If the provision for doubtful debts was already available, however, the sum thereof increased, the sum of its increase for the reporting period is specified in the aggregate income statements as the costs of the reporting period.

If the provision for doubtful debts was already available, but the sum thereof decreased, then this sum will result in the decrease of the costs of the reporting period.

Other Accounts Receivable:

It includes the assets with expected term of repayment upto one year reflected at par value.

Value Added Tax:

The value added tax reated to income from sale is subject to payment to the state budget as the goods and services are sold to the buyers. The Company uses the proportional method.

The VAT included into the cost of the goods and services acquired is to be indemnified by means of set off against VAT accrued from the income from sale upon actual receipt of such goods and services. Such kind of setoff is performed in accordance with the tax law of the Republic of Kazakhstan.

Inventories:

Accounting of Inventories is performed in accordance with the IFRS No 2 “Inventories”. The cost of the inventories is defined by the weighted average cost method. The prime cost of the goods includes cost, custom clearance cost, transportation cost, broker services payment and other costs. The possible price of sales is a suggested selling price in case of ordinary course of business less possible costs for works execution and possible costs on sale.

The prime costs of inventories to be sold is recognised as the costs for a reporting period when the income related thereto is recognised provided only that the primary documents are available.

Fixed Assets:

Accounting of fixed assets is kept in accordance with the IFRS No 16 “Fixed Assets”. The value of the purchased fixed assets is recorded at the original value specified in the primary documents. Depreciation of fixed assets is calculated on a straight-line basis for a prescribed period of the useful economic life of each group of the assets.

Re-assessment of the fixed asset is preformed if the initially assessed value of the fixed assets stopped complying with the market value. Re-assessment results in the necessity to adjust the accumulated depreciation sum.

The capital repair of the fixed assets that increases the useful economic life of the assets is capitalized. The current repair and maintenance costs are related to the costs as of the moment of their occurrence. Any incomes or losses arising out of the fixed assets retirement are related to the incomes or costs for the current year. The balance value of the fixed assets is considered as to impairment when the signs of impairment are present in the economy.

Depreciation:

Depreciation of fixed assets is calculated as follows: straight-line method of depreciation is applied. It means that the depreciation amount is accrued continuously within the useful economic life of the asset.

The useful life of the fixed assets is established as follows:

Motor vehicles	Between 48 and 120 months
Office machines and computers	Between 24 and 120 months
Machines and equipments	Between 24 and 120 months
Fixed assets not included into other groups	Between 15 and 120 months

Depreciation accrual is started from the 1st day of the month following the month of fixed asset commission and terminated from the 1st day of the month following the month of retirement thereof.

Intangible Assets:

The intangible assets are recorded at the original value less the accumulated depreciation. Depreciation is calculated on a straight-line basis within the suggested period of the useful economic life of these assets. Depreciation costs are recognised in the aggregate income statement within the period.

Impairment of the fixed assets and intangible assets:

The Company assess if there are any signs of possible impairment of the asset as of each reporting date. If any such sign exists, the Company makes the accounting estimate less the costs on sale.

Impairment loss is recognised in cases when the net balance value of the assets exceeds its recoverable value.

The recoverable value of the asset is defined as the highest of the values; net selling value and value from use thereof.

Non-financial assets impairment:

The Company assesses the assets or group thereof as to impairment in those cases when the events or changes in the circumstances make it possible to suggest that the balance value of the asset may not be indemnified.

If such signs of impairment exist or when yearly testing of the assets group as to impairment is required, the Company performs assessment of the asset's recoverable value. The recoverable value of the asset's group is highest of the fair value less the costs on sale thereof and value of use thereof. In the cases when the balance value of the asset's group exceeds its recoverable value, the group of the assets is subject to impairment and writing-off up to the replacement value happens. As of each reporting date the following is assessed:
Whether any indication of decreases of disappearance of the losses recognised before exist or not. If such indicators exist, then the recoverable value is assessed. The loss recognised before is reversed if only the assessments used to define the recoverable value of the asset from the moment of recognition of the last impairment loss changed. In such case the depreciable value of the asset is increased up to the recoverable value. The increased value of the asset may not exceed the balance value which would be defined less depreciation if the impairment loss was'nt recognised within the previous periods. Such kind of reversal is recognised in the aggregate income statement.

After rectification entry is made, the depreciation costs are adjusted within the subsequent periods for distribution of the reviewed balance value of the asset less the depreciated value.

Credits and Loans:

At the initial recognition the loans obtained are reflected at the fair value. The loans are recognised at the original value of purchase which complies with the fair value of the obtained funds less the costs on a transaction. The value of the loans expressed in foreign currency is formed based on actually obtained funds in conversion to the national currency at the market rate of exchange valid as of the date of funds receipt.

In case of the repayment term up to 12 months after the reporting date the loans are classified as short-term and in case of repayment term above 12 months after the reporting period as long-term loans. The analytical accounting of the loans obtained is kept under each loan separately.

Termination of loans recognition:

The Company starts recognizing the obtained loans only in case when they were repaid, ie, liability provided by a contract was performed.

Employee's benefits:

All forms of benefits and payments rendered by the company to the employees for the services rendered are deemed to be the employee's benefits. They include nay incomes paid by the Company to the employee in monetary form or in kind including the incomes in form of material, social benefits and other material gain.

The company shall pay only short-term benefits. The short-term benefits includes any payments to the employees made within the period of up to 12 months after completion of the period in which the works were executed.

Pension provision liabilities:

In accordance with the laws of the Republic of Kazakhstan, the Company withholds pension payments from salary of the employees and transfers them to the state center of Pensions payment. After retirement of the Company's employee, all pension payments are made by the pension funds.

The accounts payable on the core activities and other accounts payable:

The trade account payable and other accounts payable are recorded at the fair value which is to be paid in future for the goods and services obtained. The debt to the suppliers and contracts is accrued upon execution by a counterparty of its contractual obligations.

Reserves:

The reserves are reflected in accounting provided that the company has current obligations (defined by the rules of law and impied) arisen as a result of past events for repayment of which retirements of the resources having the economic profits will be probably needed. Herewith, the amount of such obligations may be assessed with sufficient degree of accuracy.

Recognition of Income:

Income from goods sale is recognised as the moment of goods sale at the fair value. The income is reflected after deduction of VAT.

Operations of foreign currency:

All currency operations are performed through the authorised banks. Initially the operations in foreign currency are to be reflected in KZT using the rate of exchange of the National Bank of the RK as of the operation performance.

The operation performance is a date when such operation is to be reflected in the financial statements. The currency difference occurred as of the moment of settlement on currency operation held within the same reporting period is related to the income or loss for the period and reflected in the aggregate income statements in the item "Other incomes/costs".
The subsequent recognition as of reporting date:

- Items in the foreign currency are to be represented using the final rate of exchange;
- Non-monetary items in the foreign currency recorded at the original actual value of purchase are to be represented based on the currency rate of exchange as of the date of the operation performance.

The currency difference occurred as a result of the rate change within the period between the operation performance date and date of monetary items repayment or as of the date of re-calculation of the assets and obligations as of the date of making up the statements is to be recognised as income or costs for the period of their occurrence. In the analytical accounting the operations in foreign currency are reflected at par value in foreign currency.

Foreign currency recalculation:

The functional currency of the Company's statements is the currency of primary economic environment wherein the Company carries out its activities. Kazakhstan Tenge, the national currency of the Republic of Kazakhstan, is the functional currency and currency of the Company's statements representation.

4. Share Capital :

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Issued, Subscribed and Paid up capital	27,19,823.79	4,822,496.00

5. Reserves and Surplus

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Dec-15**	**31-Dec-14**
Opening Balance	(2002,22,294.73)	(75,757,116.19)
Add: Current year profit	(3332,75,480.66)	(124,465,178.54)
Closing Balance	**(5334,97,775.39)**	**(200,222,294.73)**
(b) Foreign Currency Translation reserve		
Particulars	**31-Dec-15**	**31-Dec-14**
Opening balance	70,02,103.21	(4,070,542.35)
Movement during the year	-	11,072,645.56
Closing balance	667,69,102.58	**7,002,103.21**
Total	**737,71,205.79**	**(193,220,191.52)**

6. Trade Payables

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
(a) Trade Payables	31,73,645.81	7438,17,993.94
(b) Due to related parties	5817,53,406.61	-
(c) Other payables	2911,57,719.38	-
Total	**8760,84,771.81**	**7438,17,993.94**

7. Other Current liabilities

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Overdraft	292,36,357.27	
Others	32,54,463.44	16,48,260.24
Total	**324,90,820.70**	**16,48,260.24**

8. Inventories

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
(a) Trading Stocks	881,27,730.40	130,265,950.88
Total	**881,27,730.40**	**130,265,950.88**

9. Trade Receivables

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Unsecured, considered good	3572,53,517.18	380,311,679.55
Total	**3572,53,517.18**	**380,311,679.55**

10. Cash and cash equivalents

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Cash in hand	**3,02,094.71**	**-**
Balance with Banks-In deposit accounts	16,707.49	17,244,212.30
Total	**3,18,802.20**	**17,244,212.30**

11. Short-term Loans & Advances

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
(a)Loans and advances to employees	10,85,403.96	-
(b) Prepaid expenses - Unsecured, considered good	52,648.02	-
(c)Advance to suppliers	15,89,737.00	240,60,121.47
(d) Others	19,90,716.74	-
Total	**47,18,505.73**	**240,60,121.47**

12. Revenue from Operations

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Sales	**14690,35,464.53**	**848,598,140.26**

13. Other Income

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Other non operating income	-	18,736,745.38
Total	**-**	**18,736,745.38**

14. Other Expenses

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Miscellaneous Expenses	4113,24,626.15	191,653,099.49
Total	**4113,24,626.15**	**191,653,099.49**

15. CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities accrued to the company as at 31 December 2015.

16. REPORTING CURRENCY

The financial statements are presented in Indian Rupee (INR).

17. INCORPORATION

The Company is incorporated in Kazakhstan as a limited liability partnership and is domiciled in Kazakhstan.

Ensure Gulf FZE

Standalone Balance Sheet as at 31 March, 2016

Amount in ₹

	Particulars	Note .No	As at 31.03.2016	As at 31.03.2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	5	18,037,500.00	17,015,000.00
	(b) Reserves and surplus	6	63,043,227.00	60,861,906.34
			81,080,727.00	**77,876,906.34**
3	**Non-current liabilities**			
	(a) Long-term provisions	8	28,825,638.56	20,350,382.39
			28,825,638.56	20,350,382.39
2	**Current liabilities**			
	(a) Trade payables	9	29,594,360.74	37,902,750.12
	(b) Other current liabilities	7	1,291,204,228.28	3,643,247,154.91
			1,320,798,589.01	**3,681,149,905.03**
	TOTAL		**1,430,704,954.58**	**3,779,377,193.76**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets- (i) Tangible Assets	10		
	Fixed assets-Tangible assets	12	1,087,841.63	615,432.55
	(ii)Intangible assets		-	86,642,983.30
	(b) Non-current investments	10	14,379,675.38	14,415,278.15
			15,467,517.00	**101,673,694.00**
2	**Current assets**			
	(a) Inventories	13	9,346,365.11	28,197,955.62
	(b)Trade receivables	14	54,094,823.25	45,631,949.99
	(d) Cash and cash equivalents	15	659,324.74	1,308,181.26
	(e) Short-term loans and advances	11	1,351,136,924.48	3,602,565,412.90
			1,415,237,437.58	**3,677,703,499.76**
	TOTAL		**1,430,704,954.58**	**3,779,377,193.76**

See Accompanying notes forming part of Balance Sheet

Ensure Gulf FZE
Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note.No	31st March,2016 2015-16	31st March,2015 2014-15
Income			
Revenue from operations	16	305,339,147.65	193,879,684.09
Total Revenue		**305,339,147.65**	**193,879,684.09**
Expenses:			
Purchases of trading stock		132,728,892.81	138,984,206.80
Changes in inventories of trading stock		18,851,590.50	(28,028,370.87)
Employee benefits	17	75,059,914.14	55,227,114.32
Depreciation & Amortisation		234,949.70	46,899.26
Other expenses	18	79,920,859.01	20,931,436.80
Total expenses		**306,796,206.16**	**187,161,286.32**
Profit before tax		**(1,457,058.50)**	**6,718,397.77**
Profit after Tax		**(1,457,058.50)**	**6,718,397.77**
See accompanying notes forming part of Profit and loss statement			

Ensure Gulf FZE

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	**Year Ended March 31, 2016**		**Year Ended March 31, 2015**	
Cash flow from operating activities:				
Net Profit before taxation	**(1,457,058.50)**		**6,718,397.77**	
Adjustments for:				
- Depreciation	234,949.70		46,899.26	
Operating Profit before working capital changes	**(1,222,108.80)**		**6,765,297.03**	
Increase in Trade receivables	(8,462,873.26)		(40,631,548.87)	
Increase in Loans & advances and Other current assets	2,251,428,488.42		(3,531,283,866.02)	
Increase in Inventories	18,851,590.50		(28,028,370.87)	
Increase in Trade Payables, Other Current Liabilities & Provisions	(2,351,876,059.84)		3,687,934,355.67	
Cash generated from operations	**(91,280,962.98)**		**94,755,866.94**	
Net Cash (used in) / generated from operating activities		**(91,280,962.98)**		**94,755,866.94**
Cash flow from investing activities:				
Purchase of fixed assets	(664,753.12)		(74,157,299.07)	
Proceeds from sale of fixed assets	90,663,825.64			
Investment in associate				
Investment in step down subsidiaries			(595,165.03)	
Proceeds from redemption of investments				
Net Cash used in investing activities		**89,999,072.52**		**(74,752,464.10)**
Net (decrease) / increase in cash and cash equivalents		**(1,281,890.45)**		**20,003,402.84**
Cash and cash equivalents at the beginning of the year		**1,308,181.26**		**412,657.31**
Currency Translation Adjustment		633,033.93		(19,107,878.89)
Cash and cash equivalents at the end of the year		**659,324.74**		**1,308,181.26**

ENSURE GULF FZE

AUDIT REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2016

1. REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 March 2016.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The law Governing Enterprises in UAE requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society as at the end of the financial year and of the operating results of the society for that year. It also requires the directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the society. They are also responsible for safeguarding the assets of the society.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards and in the manner required by the law. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the society and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

Sd……………………………………….	Sd………………………………………
Director	Director
May,24,2016	May,24,2016
Date	Date

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

1. Establishment and operations

Ensure Gulf FZE (the 'Establishment'), is registered in Jebel Ali Free Zone as a Free Zone Establishment with limited liability on 25 July 2012 under registration number 153609.
Ensure Gulf FZE is a wholly owned subsidiary of Redington Gulf FZE, Dubai, United Arab Emirates (the "Parent Company"). The ultimate controlling party is Redington (India) Limited, India.

The principal activities of the Establishment are computer equipment trading, computer software trading, providing networking services, and technical support for their own products. The Establishment started its trading operations in 1 April 2013.
The address of the registered office of the Establishment is Warehouse No. RA08BA03, Jebel Ali Free Zone, Dubai, United Arab Emirates.

The Establishment has the following subsidiaries over which it exercises effective control as of 31 March 2016 and 2015

Name of Subsidiary	Place of registration and operation	Ownership interest	Beneficial interest	Principal activity
Ensure Technical (PTY) Ltd.	Johannesburg, South Africa	100%	100%	Providing hardware support and maintenance services.
Ensure Middle East Trading (LLC)	Dubai, United Arab Emirates	49%	49%	Providing hardware support and maintenance services.
Ensure Technical Services Kenya Limited	Nairobi, Kenya	100%	100%	Providing hardware support and maintenance services.
Ensure Technical Services Tanzania Limited	Dar e Salaam, Tanzania	99%	99%	Providing hardware support and maintenance services.
Ensure Services Uganda Limited	Kampala, Uganda	99%	99%	Providing hardware support and maintenance services.
Ensure Solutions Nigeria Limited	Lagos, Nigeria	99%	99%	Providing hardware support and maintenance services.
Ensure Services Ghana Limited	Accra, Ghana	100%	100%	Providing hardware support and maintenance

				services.
Ensure Technical Services Morocco Limited (Sarlau)	Casablanca, Morocco	100%	100%	Providing hardware support and maintenance services.
Ensure Digital FZ LLC	Dubai, U.A.E.	100%	100%	E-commerce.

These financial statements present the separate financial statements of the Establishment as permitted by IFRS 10 *Consolidated financial statements*. The Establishment's investments in subsidiaries are carried at cost. Further, the consolidated financial statements, as required under International Financial Reporting Standards, are prepared by the Parent Company, Redington Gulf FZE. These consolidated financial statements are available and can be obtained from the registered office address of the Parent Company in P.O. Box 17266 Jebel Ali, Dubai, United Arab Emirates. In entities listed above where the Establishment owns less than 50% of the equity shares, the Establishment is exposed to or has rights to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect its returns and therefore exercises effective control. Consequently, these entities are considered as subsidiaries of the Establishment.

2. Application of new and revised International Financial Reporting Standards ("IFRSs")

2.1 New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2015, have been adopted in these separate financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 32 *Financial Instruments: Presentation* relating to application guidance on the offsetting of financial assets and financial liabilities.

- Amendments to IAS 36 *Recoverable Amount Disclosures*

The amendments restrict the requirements to disclose the recoverable amount of an asset or CGU to the period in which an impairment loss has been recognised or reversed. They also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal.

- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement, Novation of Derivatives and Continuation of Hedge Accounting*

The amendment allows the continuation of hedge accounting when a derivative is novated to a clearing counterparty and certain conditions are met.

- Amendments to IFRS 10, IFRS 12 and IAS 27 - *Guidance on Investment Entities*

On 31 October 2012, the IASB published a standard on investment entities, which amends IFRS 10, IFRS 12, and IAS 27 and introduces the concept of an investment entity in IFRSs.

2.2 New and revised IFRSs in issue but not yet effective and not early adopted

The Establishment has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRSs	***Effective for annual periods beginning on or after***
• Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9.	When IFRS 9 is first applied
• IFRS 7 *Financial Instruments*: Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	When IFRS 9 is first applied
• IFRS 9 *Financial Instruments* (2009) issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 Financial Instruments (2010) revised in October 2010 includes the requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement	1 January 2018
IFRS 9 *Financial Instruments* (2013) was revised in November 2013 to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the own credit gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9.	
• IFRS 15 *Revenue from Contracts with Customers* In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue e arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.	1 January 2017

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

• Annual Improvements to IFRSs 2012 - 2014 Cycle that include amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.	1 January 2016
• Amendments to IAS 16 and IAS 38 to clarify the acceptable methods of depreciation and amortization.	1 January 2016
• Amendments to IFRS 11 to clarify accounting for acquisitions of Interests in Joint Operations.	1 January 2016
• Amendments to IAS 16 and IAS 41 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS	1 January 2016

16.

• Amendments to IFRS 10 and IAS 28 clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business.	1 January 2016
• Amendments to IAS 27 allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements.	1 January 2016
• Amendments to IFRS 10, IFRS 12 and IAS 28 clarifying certain aspects of applying the consolidation exception for investment entities.	1 January 2016
• Amendments to IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports.	1 January 2016
• Annual Improvements to IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 38 and IAS 24.	1 July 2014
• Annual Improvements to IFRSs 2011 - 2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.	1 July 2014
• Amendments to IAS 19 Employee Benefits clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed	

to periods of service.	1 July 2014

Management anticipates that these new standards, interpretations and amendments will be adopted in the Establishment's separate financial statements for the period beginning 1 April 2015 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9 and IFRS 15, may have no material impact on the separate financial statements of the Establishment in the period of initial application.

IFRS 15 and IFRS 9 will be adopted in the Establishment's separate financial statements for the annual period beginning 1 April 2017 and 1 April 2018, respectively. The application of IFRS 15 and IFRS 9 may have impact on amounts reported and disclosures made in the Establishment's separate financial statements in respect of revenue from contracts with customers and the Establishment's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards as the management is yet to perform a detailed review.

3. Significant accounting policies

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

The financial statements are prepared in accordance with the historical cost basis. Historical cost is generally based on the consideration given in exchange for assets. The significant accounting policies adopted are set out below.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes purchase costs and other related expenses incurred in bringing the inventories to their present condition and location. Effective 1 April 2014, the Establishment changed its cost formula from first-in-first-out (FIFO) to weighted average cost (WAC). The management performed a calculation of the impact of the change and has assessed that it is immaterial. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Intangible asset

Intangible asset represents cost of the Establishment's accounting software under development.

Property and equipment

Equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. Cost comprises landed cost of equipment and materials, including freight and insurance, charges from contractors for installations and building works and direct labour costs.

The cost of equipment is depreciated from the date an asset becomes operational by equal annual instalments over the estimated useful lives of the assets as follows:

	Useful life
Office equipment	3
Computers	4

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Repairs and maintenance expenses are charged to profit or loss when the expenditure is incurred.

The gain or loss arising on the disposal or retirement of an item of furniture, fixtures and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Investments in subsidiaries

A subsidiary in an entity over which the Establishment exercises control. Control is achieved where the Establishment has:

- power over the entity
- exposure or has rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect its returns.

Investments in subsidiaries are accounted in these separate financial statements of the Establishment using the "cost method" in accordance with IAS 27 *Separate Financial Statements* under which such investments are carried at cost.

At each reporting date, the Establishment reviews the carrying amounts of its investments in subsidiaries to determine whether there is any indication that the assets have suffered an impairment loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- The Establishment has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Establishment retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Establishment; and,
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Management fee income

Management fee income represents fees charged by the Establishment to its subsidiary based on a percentage of the latter's total sales.

Foreign currency transactions

The financial statements of the Establishment are presented in the currency of the primary economic environment in which the Establishment operates. For the purpose of the separate financial statements, the results and financial position of the Establishment are expressed in Arab Emirates Dirhams (AED), which is the functional currency of the Establishment and the presentation currency for the financial statements.
In preparing the financial statements of the Establishment, transactions in currencies other than the Establishment's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Establishment as lessee
Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Provisions

Provisions are recognised when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that the Establishment will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial instruments

Financial assets and financial liabilities are recognised when the Establishment becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available for sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets held by the Establishment are classified as loans and receivables.

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Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset/financial liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset/financial liability, or, where appropriate, a shorter period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including other receivables and amounts due from a related party are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.
For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Establishment derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Establishment neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Establishment recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Establishment retains substantially all the risks and rewards of ownership of a transferred financial asset, the Establishment continues to recognize the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Establishment retains an option to repurchase part of a transferred asset), the Establishment allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Establishment are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities ‘at FVTPL’ or ‘other financial liabilities’. All financial liabilities held by the Establishment are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities, including trade and other payables and amounts due to related parties are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

The Establishment derecognizes financial liabilities when, and only when, the Establishment’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. Critical accounting judgment and key sources of estimation uncertainty

Critical accounting judgment in applying the Establishment’s accounting policies

The following is the critical judgment (apart from those involving estimations, which are dealt with below) that management has made in the process of applying the Establishment’s accounting policies, which are described in Note 3 to the financial statements, and that has the most significant effect on the amounts recognized in the financial statements.

Revenue recognition

Management considered the detailed criteria for the recognition of revenue from sale of goods as set out in IAS 18 Revenue and in particular whether the Establishment had transferred the risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability for the goods sold, the management is satisfied that the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property and equipment

The cost of property and equipment is depreciated over the estimated useful life of the asset. The estimated useful life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors. Management has not considered any residual value as it is considered immaterial.

Allowance for slow moving inventories

Inventories are stated at the lower of cost and net realisable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and quality issues. Based on the above factors, the Establishment has arrived at certain percentages for allowance for slow moving and obsolete inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

4. RESULTS

Turnover for the year was **INR 126, 74,657** resulting in a profit of **INR 87,71,300**

5. Share Capital

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued,Subscribed and paid up capital	180,37,500.00	170,15,000.00

6. Reserves and Surplus

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	587,49,963.84	520,31,566.07
Add: Current year profit	(14,57,058.50)	67,18,397.77
Closing Balance	**572,92,905.33**	**587,49,963.84**
(b) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	21,11,942.50	(2,65,217.57)
Movement during the year	36,38,379.16	23,77,160.07
Closing balance	**57,50,321.67**	**21,11,942.50**
Total	**630,43,227.00**	**608,61,906.34**

7. Other Current liabilities

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i)Due to related parties	12912,04,228.28	36432,47,154.91
Total	**12912,04,228.28**	**36432,47,154.91**

8. Long-Term **Provisions**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Provision for employee benefits:	288,25,638.56	203,50,382.39
Total	**288,25,638.56**	**203,50,382.39**

9. Trade payables

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Trade Payables	295,94,360.74	379,02,750.12
Total	**295,94,360.74**	**379,02,750.12**

10. Non-current Investments

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Invested in Ensure Middle East	143,79,675.38	144,15,278.15
Total	**143,79,675.38**	**144,15,278.15**

11. Short-term loans and advances (Unsecured & considered good)

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Loans and advances to related parties	13511,36,924.48	36025,65,412.90
Total	**13511,36,924.48**	**36025,65,412.90**

12. Fixed Assets

Tangible Assets

Amount in ₹

Particulars	**Office equipments**	**Computers**	**Total**
Cost			
As at 01.04.15	**6,11,689.25**	**51,674.56**	6,63,363.81
Additions	6,64,753.12	-	6,64,753.12
Translation adjustments	45,453.86	3,105.33	48,559.19
As at 31.03.16	**13,21,896.23**	**54,779.89**	**13,76,676.11**
Accumulated Depreciation			
As at 01.04.15	**47,267.67**	**663.59**	47,931.26
Additions	2,16,931.43	18,018.27	2,34,949.70
Translation adjustment	5,677.97	275.56	5,953.53
As at 31.03.16	**2,69,877.08**	**18,957.41**	2,88,834.49
Carrying Amount			
As at 01.04.15	**5,64,421.58**	**51,010.97**	**6,15,432.55**
As at 31.03.16	**10,52,019.15**	**35,822.48**	**10,87,841.63**

Intangible Assets

Amount in ₹

Particulars	**Software**	**Total**
Cost		
As at 01.04.15	**866,42,983.30**	**866,42,983.30**
Additions	-	-
Disposals	906,63,825.64	906,63,825.64
Translation adjustment	40,20,842.35	40,20,842.35
As at 31.03.16	**-**	**-**
Carrying Amount	**Software**	**Total**
As at 01.04.15	**866,42,983.30**	**866,42,983.30**
As at 31.03.16	**-**	**-**

<u>**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2015 (CONTINUED)**</u>

13. Inventories

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Trading Stocks	28,197,955.62	169,584.75
Total	**28,197,955.62**	**169,584.75**

14. Trade Recievables

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Unsecured, considered good	45,631,949.99	5,000,401.13
Total	**45,631,949.99**	**5,000,401.13**

15. Cash and Cash Equivalents

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Cash on hand	1,308,181.26	412,657.31
Total	**1,308,181.26**	**412,657.31**

16. Revenue from Operations

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Sales	146,030,337.48	13,830,654.21
(ii) Service Income	47,849,346.61	80,712,124.25
Total	**193,879,684.09**	**94,542,778.46**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2015 (CONTINUED)

17. Employee benefit expense

Amount in ₹

Particulars	31-Mar-16	31-Mar-15

(i) Salaries and Bonus	750,59,914.14	552,27,114.32
Total	**750,59,914.14**	**552,27,114.32**

18. Other Expenses

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	90,21,491.79	4,190,731.72
Repairs and Maintenance	1,18,151.43	2,152,226.47
Utilities	27,52,629.15	117,885.75
Communication	31,73,387.82	1,819,342.70
Advertisement	29,34,645.73	595,757.51
Travel	54,83,091.55	1,486,491.72
Professional Charges	5,31,592.40	1,829,934.38
Exchange Gain/(Loss) Net	44,85,409.93	(218,244.39)
Bank Charges	1,44,609.09	21,150.57
Miscellaneous Expenses	512,75,850.13	367,282.14
Total	**799,20,859.01**	**12,362,558.57**

19. Investments in subsidiaries

	2016 INR	2015 INR
Balance as at 31 March - at cost	143,79,675.38	14,415,278.15

The details of the investments in subsidiaries are as follows:

	2016 INR	2015 INR
Ensure Middle East Trading (LLC)	5411250	5104500
Ensure Technical Services Kenya Limited	796536	751382.4
Ensure Technical Services Tanzania Limited	41486.25	39134.5
Ensure Services Uganda Limited	662878.125	625301.25
Ensure Services Ghana Limited	6637800	6261520

	2016 INR	2015 INR
Ensure Technical Services Morocco Limited (Sarlau)	829725	782690
Ensure Digital FZ LLC]	0	850750

20. Related party transactions

a) The Establishment enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IAS) No. 24 Related Party Disclosures. Related parties comprise companies under common ownership and/or common management and control and key management personnel.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on the other charges.

At the reporting date, balances with related parties were as follows:

	2016 INR	2015 INR
Due from related parties		
Parent Company	5706,75,800.18	2,748,292,304.01
Entities under common ownership or control	7804,61,124.30	854,273,108.89
Due to related parties		
Entities under common ownership or control	12912,04,228.28	3643247155

The amounts due from/to related parties are current, interest-free, unsecured and have no fixed repayment period.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2015 (CONTINUED)

21. Operating lease arrangements

The Establishment as a lessee:

	2016 INR	2015 INR

Minimum lease payments under operating lease recognized as an expense during the year	91,39,493.03	7,506,882

Warehouse and office leases are renewable annually and was paid in advance during the year ended 31 March 2016.

22. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

(b) Categories of financial instruments

	2016 INR	**2015 INR**
Financial assets		
Loan and receivables (including cash and cash equivalents)	14017,23,490.05	3,645,666,654.88
Financial liabilities		
At amortized cost	13207,98,589.01	3,529,165,902

(c) Fair values

The fair value of financial assets and financial liabilities approximate the carrying values as at 31 March 2015 as these are substantially due to be realized within a period of one year in the normal course of the Establishment's business.

23. FINANCIAL RISK MANAGEMENT

a. Foreign currency risk management

There are no significant exchange rate risks are substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirham (AED).

b. Interest rate risk management

As at 31 March 2016, the Establishment does not have any significant exposure to interest rate risk as it has no variable rate borrowings.

c. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Establishment's funding and liquidity management requirements. The Establishment manages liquidity risk by monitoring forecast and actual cashflows and matching the maturity profiles of financial assets and fianancial liabilities.

d. Capital risk management

The Establishment manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholder through the optimization of the debt and equity balance.

Having considered the structure and magnitude of the Establishment, the Parent company has decided that the capital structure be limited to equity comprising issued capital and accumulated losses and to have a zero leverage o debt financing.

24. REPORTING CURRENCY

The financial statements are presented in Indian Rupee (INR).

25. Approval of financial statements

The financial statements for the year ended 31 March 2016 were approved and signed by the Director on May,24, 2016.

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Ensure Middle East Trading LLC
Standalone Balance Sheet as at 31 March,2016

Amount in ₹

	Particulars	Note No.	As at March 31,2016	As at March 31,2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	5,411,250.00	5,104,500.00
	(b) Reserves and surplus	4	41,067,527.47	6,260,039.69
			46,478,777.47	**11,364,539.69**
3	**Non-current liabilities**			
	(a) Long-term provisions	7	624,169.65	994,713.92
			624,169.65	**994,713.92**
2	**Current liabilities**			
	(a) Trade payables	5	66,236,730.30	101,687,612.27
	(b)Other current liabilities	6	2,138,965,086.86	2,013,854,325.79
			2,205,201,817.16	**2,115,541,938.06**
	TOTAL		**2,252,304,764.29**	**2,127,901,191.68**
B	**ASSETS**			
1	**Non-current assets**			
	Fixed assets-Tangible assets	11	33,252,131.25	9,840,761.37
	(ii)Intangible assets	11	609,180.49	-
			33,861,311.74	**9,840,761.37**
2	**Current assets**			
	(a) Inventories	8	84,014,688.71	136,279,498.61
	(b)Trade receivables	9	147,299,942.89	232,029,148.12
	(d) Cash and cash equivalents	12	4,905,081.68	4,041,692.06
	(c) Short-term loans and advances	10	1,982,223,739.28	1,745,710,091.52
			2,218,443,452.55	**2,118,060,430.31**
	TOTAL		**2,252,304,764.29**	**2,127,901,191.68**

See Accompanying notes forming part of Balance Sheet

Ensure Middle East Trading LLC

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note.No	31st March,2016 2015-16.	31st March,2015 2014-15
Income			
Revenue from operations	13	995,271,145.22	1,204,331,970.14
Other income	14	262,991.97	2,900,977.99
Total Revenue		**995,534,137.20**	**1,207,232,948.13**
Expenses:			
Purchases of trading stock		617,231,441.84	829,879,527.44
Changes in inventories of trading stock		52,264,809.90	(3,980,882.36)
Employee benefits	15	230,235,416.36	254,814,439.77
Depreciation & Amortisation	11	5,187,837.61	2,465,832.12
Other expenses	16	56,627,881.91	116,759,190.40
Total expenses		**961,547,387.61**	**1,199,938,107.36**
Profit before tax		**33,986,749.58**	**7,294,840.76**
Profit before extraordinary items and tax		**33,986,749.58**	**7,294,840.75**
Extraordinary Items		-	-
Profit before tax		**33,986,749.58**	**7,294,840.75**
Tax expense:			
Current tax		-	-
Profit after Tax		**33,986,749.58**	7,294,840.76
Profit for the Year		**33,986,749.58**	**7,294,840.76**
See accompanying notes forming part of Profit and loss statement			

Ensure Middle East Trading LLC

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**33,986,749.58**		**7,294,840.76**	
Adjustments for:				
- Depreciation	5,187,837.61		2,465,832.12	
Operating Profit before working capital changes	**39,174,587.20**		**9,760,672.88**	
Increase in Trade receivables	84,729,205.23		2,333,616.01	
Increase in Loans & advances and Other current assets	(236,513,647.76)		(1,708,863,041.33)	
Increase in Inventories	52,264,809.90		(3,980,882.36)	
Increase in Trade Payables, Other Current Liabilities & Provisions	89,289,334.84		1,707,870,567.78	
Cash generated from operations	**28,944,289.40**		**7,120,932.98**	
Net Cash (used in) / generated from operating activities		**28,944,289.40**		**7,120,932.98**
Cash flow from investing activities:				
Purchase of fixed assets	(28,314,519.60)		(7,483,403.42)	
Proceeds from sale of fixed assets	-		1,588,531.31	
Net Cash used in investing activities		**(28,314,519.60)**		**(5,894,872.11)**
Net (decrease) / increase in cash and cash equivalents		**629,769.80**		**1,226,060.87**
Cash and cash equivalents at the beginning of the year		**4,041,692.05**		**2,830,773.38**
Currency Translation Adjustment		233,619.82		(15,142.20)
Cash and cash equivalents at the end of the year		**4,905,081.67**		**4,041,692.05**

ENSURE MIDDLE EAST TRADING LLC

AUDIT REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2016

1. REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 March 2016.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The law Governing Enterprises in UAE requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society as at the end of the financial year and of the operating results of the society for that year. It also requires the directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the society. They are also responsible for safeguarding the assets of the society.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards and in the manner required by the law. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the society and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

Sd….	Sd…
Director	Director
Date May,24,2016	Date : May,24,2016

1. Status and operations

Ensure Middle East Trading L.L.C. (the 'Company') was incorporated on 9 October 2012 as a limited liability company with authorized and issued share capital of AED 300,000 divided into 300 shares.

The Company was incorporated by Mr. Shabab Sultan Ahmad Almesmar Almatrooshi, a U.A.E. National, and Ensure Gulf FZE, a company incorporated in Jebel Ali Free Zone, which exercises control over the Company.

The principal activities of the Company are providing IT hardware support and maintenance services, and trading of computer equipment requisites.

The registered address of the Company is P.O. Box 12816, Dubai, United Arab Emirates.

2. Application of new and revised International Financial Reporting Standards ("IFRSs")

2.1 New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2015, have been adopted in these financial statements. The application of these new and revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Annual Improvements to IFRSs 2010-2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.

- Annual Improvements to IFRSs 2011-2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.

- Amendments to IAS 19 *Employee Benefits* to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service

The Company has not yet early applied the following new standard, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRS	**Effective for annual periods beginning on or after**
• IFRS 14 *Regulatory Deferral Accounts.*	1 January 2016
• Amendments to IAS 1 *Presentation of Financial Statements* relating to Disclosure initiative.	1 January 2016

• Amendments to IFRS 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations.	1 January 2016
• Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortization.	1 January 2016

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.
Step 2 : Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation
.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

New and revised IFRS	***Effective for annual periods beginning on or after***
Annual Improvements to IFRSs 2012 - 2014 Cycle that include amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.	1 January 2016
□ Amendments to IAS 16 and IAS 38 to clarify the acceptable methods of depreciation and amortization.	1 January 2016
□ Amendments to IFRS 11 to clarify accounting for acquisitions of Interests in Joint Operations.	1 January 2016

Amendments to IAS 16 and IAS 41 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.	1 January 2016
Amendments to IFRS 10 and IAS 28 clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business.	1 January 2016
Amendments to IAS 27 allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements.	1 January 2016
IFRS 16 *Leases*: IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	1 January 2019
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements for the year beginning 1 April 2016 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the financial statements of the Company in the year of initial application. Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Company's financial statements for the annual year beginning 1 April 2018 and IFRS 16 will be adopted for the annual year beginning 1

April 2019. The application of IFRS 9, IFRS 15 and IFRS 16 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of revenue from contracts with customers, the Company's financial assets and financial liabilities and leases. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Company performs a detailed review

3. Significant accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

The financial statements are prepared in accordance with the historical cost basis. Historical cost is generally based on the consideration given in exchange for assets.
The significant accounting policies adopted are set out below.

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and,
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Service income represents income generated from providing hardware support, repair and maintenance services and is recognised when the service is rendered.

Warranty income

The Company's Original Equipment Manufacturer ("OEM") generally warrants the products distributed by entities within the Redington Group. Warranty income is recognised based on the following criteria:

- Revenue from annual maintenance contracts is recognised proportionately based on fixed price over the period of the contract;
- Servicing fees for repairs performed on products sold within the warranty period are recognised by reference to the proportion of the total cost of providing the servicing for the product which includes the cost of spare parts and labour and is subsequently billed to the vendors or suppliers; and
- Servicing fees for repairs performed on products sold post the warranty period are recognised by reference to the proportion of the total cost of providing the servicing for the product which includes the cost of spare parts and labour and is subsequently billed to the customers.

Inventories
Inventories are stated at the lower of cost and net realizable value. Cost includes purchase costs and other related expenses incurred in bringing the inventories to their present condition and location. Effective 1 April 2014, the Company changed its cost formula from first-in-first-out (FIFO) to weighted average cost (WAC). The management performed a calculation of the impact of the change and has assessed that it is immaterial. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation and any identified impairment loss. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when incurred.

Depreciation is charged so as to write-off the cost of assets over their estimated useful lives using the straight-line method as follows:

	Years
Vehicles	3
Furniture and equipment	5

The estimated useful lives and depreciation method is reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The gain or loss arising on the disposal or retirement of an item of equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Capital work-in-progress

Properties or assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related staff costs and, for qualifying assets, borrowing costs capitalised in accordance with Group's accounting policy. When the assets are ready for intended use, the capital work-in-progress is transferred to the appropriate property and equipment category and is depreciated in accordance with the Group's policies.

Impairment of tangible assets
At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.
Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Foreign currencies
The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates. For the purpose of the financial statements, the results and financial position of the Company are expressed in Arab Emirates Dirhams (AED), which is the functional currency of the Company, and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items are included in profit or loss.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the lessee. All other leases are classified as operating leases.

Company as a lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’ (FVTPL), ‘held-to-maturity’ investments, ‘available-for-sale’ (AFS) financial assets and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets held by the Company are classified as loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset/financial liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset/financial liability, or, where appropriate, a shorter period.

3. Significant accounting policies (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including trade and other receivables (excluding prepayments and advances paid to suppliers), bank balances and cash, and amounts due from related parties are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities at ‘FVTPL’ or ‘other financial liabilities’. All financial liabilities held by the Company are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities, including, trade and other payables (excluding advances received from customers) and amounts due to related parties are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. Critical accounting judgment and key sources of estimation uncertainty in applying the Company's accounting policies

Critical judgment in applying the Company's accounting policies

Below is the critical judgment (apart from that involving estimation, which is dealt with below) that management has made in the process of applying the Company's accounting policies, which described in Note 3 to the financial statements, and that has the most significant effect on the amounts recognized in the financial statements.

Revenue recognition

Management has considered the detailed criteria for the recognition of revenue from the sale of goods and services as set out in IAS 18 *Revenue* and in particular whether the Establishment had transferred the risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability for the goods sold and services rendered, the management is satisfied that the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property and equipment

The cost of property and equipment is depreciated over the estimated useful life of the asset. The estimated useful life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors. Management has not considered any residual value as it is considered immaterial.

Allowance for doubtful debts - specific

Allowance for doubtful debts is determined based using a combination of factors to ensure that the trade receivables are not overstated due to uncollectability. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and aging of the receivables, continuing credit evaluation of the customers' financial conditions. Also, specific allowances for individual accounts are recorded when the Establishment becomes aware of the customer's inability to meet its financial obligations such as in the case of deterioration in the customer's operating results or financial position.

Allowance for slow moving inventories

Inventories are stated at the lower of cost and net realisable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and quality issues. Based on the above factors, the Company has arrived at certain percentages for allowance for slow moving and obsolete inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

Ensure Middle East Trading L.L.C. - Dubai
Notes to the financial statements
for the year ended 31 March 2016

3. Share Capital

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Issued,Subscribed and paid up capital	54,11,250.00	51,04,500.00

4. Reserves and Surplus

Amount in ₹

(a) Profit and Loss Account		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening Balance	55,26,234.92	(1,039,128.43)
Add: Current year profit	339,86,749.58	7,294,840.76
Less: Transferred to:		
Transfer to Statutory Reserves	(18,85,348.53)	(729,477.42)
Closing Balance	**376,27,635.97**	**5,526,234.92**
(b) Statutory Reserves		
Opening Balance	**7,50,514.64**	4,779.56
Transfer from Statement of Profit and Loss	18,85,348.53	729,477.42
CTA	69,761.84	16,257.66
Closing balance	**27,05,625.00**	**750,514.64**
(b) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	(16,709.86)	(111,620.57)
Movement during the year	7,50,976.37	94,910.71
Closing balance	**7,34,266.50**	**(16,709.87)**
Total	**410,67,527.47**	**6,260,039.69**

5. Trade Payables

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Trade Payables	413,39,911.76	29,218,685.47
Expense Payable	248,96,818.54	72,468,926.80
Total	**662,36,730.30**	**101,687,612.27**

6. Other Current liabilities

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i)Due to related parties	21311,62,641.56	2,001,044,889.31
(ii) Advance received from customers	78,02,445.30	12,809,436.48
Total	**21389,65,086.86**	2,013,854,325.79

7. Long-term Provisions

Particulars	31-Mar-16	31-Mar-15
Provision for employee benefits	6,24,169.65	9,94,713.92

8. Inventories

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Trading Stocks	840,14,688.71	136,279,498.61
Total	**840,14,688.71**	**136,279,498.61**

9. Trade Receivables

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Unsecured, considered good	1472,99,942.89	2320,29,148.12
Total	**1472,99,942.89**	**2320,29,148.12**

10. Short-term loans and advances (Unsecured & considered good)

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Loans and Advances from related parties	19685,35,874.18	1,725,597,646.89
(b) Prepaid expenses	98,07,060.90	7,076,589.55
(c) Advances to suppliers	1,31,475.34	13,035,855.09
(d) others	37,49,328.86	70,76,589.55
Total	**19822,23,739.28**	**1,745,710,091.52**

11. Fixed Assets

Amount in ₹

Particulars	Office equipments	Computers	Vehicles	Total
Cost				
As at 01.04.15	72,50,976.28	-	61,32,750.48	133,83,726.76
Additions	272,27,512.23	4,68,225.78	-	276,95,738.00
Disposals	-	-	-	-
Translation adjustments	7,91,876.66	6,124.40	3,68,541.72	11,66,542.78
As at 31.03.16	**352,70,365.16**	**4,74,350.18**	**65,01,292.20**	**422,46,007.54**
Accumulated Depreciation				
As at 01.04.15	**1,321,929.38**	-	**2,221,036.01**	3,542,965.39
Additions	30,12,558.73	18,694.85	21,39,117.71	51,70,371.28
Disposals	-	-	-	-
Translation adjustment	1,18,844.38	244.53	1,61,450.70	2,80,539.61
As at 31.03.16	**44,53,332.49**	**18,939.38**	**45,21,604.43**	89,93,876.29
Carrying Amount		-		
As at 01.04.15	**5,929,046.90**	**-**	**3,911,714.47**	**9,840,761.37**

As at 31.03.16	**308,17,032.68**	**4,55,410.80**	**19,79,687.78**	**332,52,131.25**

. **Intangible Assets**

Particulars	**Software**	**Non competition agreement**	**Total**
Cost			
As at 01.04.15	-		-
Additions	6,18,781.60	-	6,18,781.60
Assets of Subsidiaries acquired	-	-	-
Disposals	-	-	-
Translation adjustment	8,093.67	-	8,093.67
As at 31.03.16	**6,26,875.28**	**-**	**6,26,875.28**
Accumulated Depreciation	**Software**	**Non competition agreement**	**Total**
As at 01.04.15	-	-	-
Additions	17,466.33	-	17,466.33
Assets of Subsidiaries acquired	-	-	-
Disposals	-	-	-
Translation adjustment	228.46	-	228.46
As at 31.03.16	17,694.79	-	17,694.79
Carrying Amount	**Software**	**Non competition agreement**	**Total**
As at 01.04.15	-	-	-
As at 31.03.16	6,09,180.49	-	6,09,180.49

12 Cash and Cash Equivalents

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Cash on hand	7,46,986.99	596,358.74
(b) Balances with banks		-
(i) In current accounts	41,58,094.69	3,445,333.32
Total	**49,05,081.68**	**4,041,692.06**

13. Revenue from Operations

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i)Sales	2832,11,500.43	462,599,379.23
(ii) Service Income	7120,59,644.79	741,732,590.91
Total	**9952,71,145.22**	**1,204,331,970.14**

14 . Other Income

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Other non operating income	2,62,991.97	2,900,977.99
Total	**2,62,991.97**	**2,900,977.99**

15 Employee benefit Expenses

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Salaries and Bonus	2302,35,416.36	254,814,439.77
Total	**2302,35,416.36**	**254,814,439.77**

16 . Other Expenses

Particulars	31-Mar-16	31-Mar-15
Rent	293,45,300.01	22,760,691.00
Repairs and Maintenance	97,16,263.49	18,610,181.59
Utilities	161,91,819.91	12,690,969.15
Insurance	54,072.62	97,178.19
Advertisement	1,10,495.44	1,322,918.68
Travel	205,97,429.55	18,223,000.50
Professional Charges	7,54,915.69	849,314.43
Provision for Doubtful receivables	(248,54,726.74)	29,884,749.87
Exchange Gain/(Loss) Net	(56,94,147.46)	(789,778.84)
Bank Charges	39,24,404.30	4,452,116.42
Miscellaneous Expenses	64,82,055.10	8,657,849.41
Total	**566,27,881.91**	**116,759,190.40**

17 . Statutory reserve

Statutory reserve is created by allocating 10% of the net profit of the year of the Company as required by Article 255 of the U.A.E. Federal Commercial Companies Law No. 8 of 1984, as amended, until the reserve reached 50% of its paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law.

18 . Operating lease arrangements

The Company as a lessee:

	2016 *INR*	*2015* *INR*
Minimum lease payments under operating lease recognized as expense in the period	297,29,136.94	23,261,530

19 .Financial instruments

a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

b) Categories of financial instruments

2016 *2015*

	INR	*INR*
Financial assets		
Loans and receivables (including cash and cash equivalents)	21207,40,898.74	1,961,668,487
Financial liabilities	21973,99,371.86	2,102,732,502
At amortized cost		

c) Fair Value

The fair value of financial assets and financial liabilities approximates their carrying values as of 31 March 2016 as these assets and liabilities are substantially due to be realized and settled within a period of one year in the normal course of the Company's business.

20. Financial risk management

The financial risk management policies are discussed by the management of the Company on a regular basis to ensure that these are in line with the overall business strategies and its risk management philosophy. Management sets policies which seek to minimize potential adverse effects of financial performance of the Company. The Management provides necessary guidance/instructions to the employees covering specific areas, such as market risk (foreign exchange and interest rate risk), credit risk and liquidity risk.

a) Foreign currency risk management

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirham or United States Dollars to which the Dirham is fixed.

b) Interest rate risk management

As at 31 March 2016, the Company does not have any significant exposure to interest rate risk.

c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's funding and liquidity management requirements. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Liquidity risk tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted financial liabilities based on the earliest date on which the Company can be required to pay:

	Less than 1 year
2016	
Non-interest bearing instruments	21973,99,371.86
2015	
Non-interest bearing instruments	2,102,732,502

The following tables detail the Company's remaining contractual maturity for its non-derivative financial assets. The tables have been drawn up based on the cash flows of financial assets based on the earliest date on which the Company can collect:

	Less than 1 year
2016	
Non-interest bearing instruments	21207,40,898.74
2015	
Non-interest bearing instruments	1,961,668,487

d) Credit risk management
Credit risk arises from credit exposure to outstanding trade receivables. The management of the Company has implemented centralised procedures for credit control. Credit risk is minimised through credit insurance and a conservative credit policy. Individual counter-party limits are set in accordance with the credit policy.

The Company's exposure to credit risk is closely monitored and the aggregate value of transactions concluded is spread amongst counter-parties. Credit exposure is controlled by counter-party limits that are reviewed and approved by the management regularly. Due to the risk on transactions in the countries in which the Company operates, management will, based on past experience and level of risk associated with these transactions, make a provision for losses on such transactions should they consider it necessary. Further details of credit risk on trade receivables are discussed in Note 8 to the financial statements.

21. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the equity balance.

The capital structure of the Company consists of equity comprising issued capital, reserves and retained earnings.

22. Approval of financial statements

The financial statements for the year ended 31 March 2016 were approved and signed by the Director on May,24, 2016.

Ensure Solutions Nigeria Limited
Standalone Balance Sheet as at 31 March,2016

	Particulars	Note.No	Amount in ₹ As at 31.3.2016	As at 31.3.2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	333,200.00	314,000.00
	(b) Reserves and surplus	4	11,796,202.96	183,645.07
			12,129,402.96	497,645.07
2	**Non-current liabilities**			
	(a) Deferred tax liabilities (Net)	9	1,827,856.23	-
	(b) Long-term provisions	7	2,875,849.20	3,121,173.41
			4,703,705.43	3,121,173.41
3	**Current liabilities**			
	Trade payables	5	165,502,121.99	187,320,944.34
	Other current liabilities	6	587,275.00	2,836,990.80
	Short-term provisions	8	4,170,228.24	3,349.75
			170,259,625.23	190,161,284.89
	TOTAL		**187,092,733.63**	**193,780,103.37**
B	**ASSETS**			
1	**Non-current assets**			
	Fixed assets-Tangible assets	10	6,310,700.71	8,789,011.80
	(ii) Intangible assets		432,839.13	-
			6,743,539.83	**8,789,011.80**
2	**Current assets**			
	(a) Inventories	11	17,532,060.37	75,561,553.30
	(b)Trade receivables	12	75,338,075.71	83,546,028.16
	(c) Cash and cash equivalents	13	5,220,179.43	10,192,461.16
	(d) Short-term loans and advances	14	82,258,878.28	15,691,048.65
			180,349,193.79	**184,991,091.26**
	TOTAL		**187,092,733.62**	**193,780,103.37**
	ıying notes forming part of financial statements			

Ensure Solutions Nigeria Limited

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note. No	31st March,2016	31st March,2015
		2015-16	2014-15
Income			
Revenue from operations	15	151,448,888.96	333,706,302.92
Other income	16	6,035,736.69	-
Total Revenue		**157,484,625.65**	**333,706,302.92**
Expenses:			
Purchases of trading stock		5,233,544.08	283,621,705.55
Changes in inventories of trading stock		58,029,492.93	(17,082,742.34)
Employee benefits	17	20,742,614.71	21,410,612.18
Depreciation & Amortisation	10	3,280,092.08	3,347,994.95
Other expenses	18	60,392,012.78	43,526,373.10
Total expenses		**147,677,756.57**	**334,823,943.44**
Profit before tax		**9,806,869.07**	**(1,117,640.52)**
Tax expense:			
Current tax		4,521,468.22	
Profit after Tax		**5,285,400.85**	**(1,117,640.52)**
Profit for the Year		**5,285,400.85**	**(1,117,640.52)**
See accompanying notes forming part of financial statements			

Ensure Solutions Nigeria Limited

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**9,806,869.07**		**(1,117,640.52)**	
Adjustments for:				
- Depreciation	3,280,092.08		3,347,994.95	
Operating Profit before working capital changes	**13,086,961.15**		**2,230,354.43**	
Increase in Trade receivables	8,207,952.44		(43,942,994.87)	
Increase in Loans & advances and Other current assets	(66,567,829.64)		691,085.50	
Increase in inventories	58,029,492.93		(17,082,742.34)	
Increase in Trade Payables, Other Current Liabilities & Provisions	-18,319,127.64		65,197,274.37	
Cash generated from operations	(5,562,550.75)		**7,092,977.09**	
Direct taxes paid	-4,521,468.22			
Net Cash (used in) / generated from operating activities		**(10,084,018.97)**		**7,092,977.09**
Cash flow from investing activities:				
Purchase of fixed assets	-730,952.33		(1,165,827.96)	
Proceeds from sale of fixed assets	-		7,093.05	
Net Cash used in investing activities		**(730,952.33)**		**(1,158,734.91)**
Net (decrease) / increase in cash and cash equivalents		**(10,814,971.29)**		**5,934,242.18**
Cash and cash equivalents at the beginning of the year		**10,192,461.16**		**2,675,552.12**
Currency Translation Adjustment		5,842,689.60		1,582,666.86
Cash and cash equivalents at the end of the year		**5,220,179.47**		**10,192,461.16**

ENSURE SOLUTIONS NIGERIA LIMITED

FINANCIAL STATEMENTS
31 MARCH, 2016

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF ENSURE SOLUTIONS NIGERIA LIMITED

We have audited the accompanying financial statements of Ensure Solutions Nigeria Limited, which comprise the balance sheet as at 31 March 2016, the income statement, statement of cash flows, statement of value added for the year then ended, summary of the significant account policies, financial summary and other explanatory information.

Directors Responsibility for the Financial Statements
The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004 and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Ensure Solutions Nigeria Limited as at 31 March 2016, and of its financial performance and its cash flows for the year then ended; the company has kept proper books of account, which are in agreement with the balance sheet and income statements in the manner required by the Companies and Allied Matters Act, CAP C20, LFN 2004 and in accordance with the Statements of Accounting Standards issued by the Nigerian Accounting Standards Board.
Emphasis of matter
We draw attention to accumulated losses, working capital deficiency and erosion of shareholder's fund. Our opinion is not qualified in respect of this matter.

Chartered Accountants
Lagos, Nigeria
24,May,2016

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2016

The following are the significant accounting policies which have been adopted by the company in the preparation of financial statements.

a) Basis of accounting

The financial statements are prepared under the historical cost conversion.

b) Turnover

Turnover represents the net value of goods and services rendered to third parties during the year.

c) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation.

d) Depreciation

Depreciation is provided to write off the cost of fixed assets in equal annual installments over their estimated useful lives at the following rates (in %):

Furniture and fittings	-	20
Motor Vehicles	-	33 1/3
Office equipment	-	20
Computers	-	20

e) Stocks

Stocks are stated at the lower of cost and net realizable value after making adequate provisions for obsolete and damaged stocks. Cost comprises suppliers invoice price and where appropriate, freight and other charges incurred to bring the materials to their location and condition. Goods in transit are valued at invoice price.

f) Debtors

Debtors are stated after specific provisions for debts considered doubtful of recovery.

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2016

g) Foreign currencies

Transactions arising in foreign currencies are recorded in Naira at the rates of exchange ruling at the time they arise. Assets and liabilities existing in foreign currencies are converted to Naira at the rates applicable at the balance sheet date. Gains and losses arising there from are dealt with in the profit and loss account.

h) Deferred taxation

Deferred taxation is provided by the liability method which represents taxation at the current rate of corporate income tax on the difference between the net book value of fixed assets qualifying for capital allowances and their corresponding written down values.

i) Taxation

Income tax and education tax payable are provided on taxable profits at the current statutory rate

j) Employees retirement scheme

The company makes provision for retirement benefits in accordance with the provisions of the pension reform act of 2004 with the employee and employer contributing 7.5% respectively.

k) Provisions

Provision is recognized when the company has a present obligation whether legal or constructive, as a result of a past event for which it is probable that as outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation in accordance with statement of Accounting standard.

l) Equity settled shared based payments

Share purchase options granted by the holding company to employees under the Group's Employee Stock Option Plan are measured at the fair value of the equity instruments at the grant date. The fair value is expensed over the vesting period based on the management's estimate of equity instruments that will eventually vest. At each balance sheet date, management revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss over the remaining vesting period, with a corresponding adjustment to the equity settled employee benefits reserve.

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2016

1. THE COMPANY

1.1 Legal form

Ensure Solutions Nigeria Limited was incorporated in October 2002. It commenced commercial operations in April 2004. This reporting currency for these financial statements is the Nigerian Naira.

Redington Gulf FZE is the ultimate holding company with 99% of the issued share capital.

1.2 Principal activities

The company is engaged in the sales and services of computer systems and telecommunication equipment.

2. GOING CONCERN CONSIDERATIONS

The financial statements have been prepared on a going concern basis because Redington Gulf FZE the holding Company has confirmed to support the on-going operations of the subsidiary, Ensure Solutions Nigeria Limited.

The charge for taxation has been computed in accordance with provision of the Companies' income tax Act, CAP C20 LFN 2004 as amended to date and the Education tax, CAP E 4 LFN 2004. Deferred tax is computed using liability method.

3. Share Capital: **Amount in □**

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up capital	**3,33,200.00**	**314,000.00**

4. Reserves and Surplus:

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Profit and Loss Account		
Opening Balance	2,39,561.54	1,139,634.11
Add: Current year profit	52,85,400.85	(1,117,640.52)
Adjustment on consolidation	-	217,567.95
Closing Balance	**55,24,962.39**	**239,561.54**
(b) Foreign Currency Translation reserve	**31-Mar-16**	**31-Mar-15**
Opening balance	(55,916.47)	(33,686.17)
Movement during the year	63,27,157.04	(22,230.30)
Closing balance	**62,71,240.57**	**(55,916.47)**
Total	**117,96,202.96**	**183,645.07**

Amount in ₹

5. Trade Payables:

Particulars	31-Mar-16	31-Mar-15
(a) Trade Payables	230,39,981.32	17,161,993.81
(b) Expense Payable	44,58,340.28	2,714,405.29
(c)Due to related parties	1380,03,800.39	167,444,545.24
Total	**1655,02,121.99**	**187,320,944.34**

6. Other Current Liabilities: Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	5,87,275.00	67,648.64
(ii) Advances from customers	-	2,290,160.26
(iii) Others	-	479,181.90
Total	**5,87,275.00**	**2,836,990.80**

7. Long-term Provisions:

Particulars	31-Mar-16	31-Mar-15
Provision for employee benefits	28,75,849.20	3,121,173.41
Total	**28,75,849.20**	**3,121,173.41**

***Details of Amount due to related parties are as follows**

Amount in ₹

Cadensworth FZE.	629,99,163.25	28,098,482.00
Redington Middle East Limited	-	-
Ensure Gulf FZE.	415,75,499.81	124,563,351.00
Redington Nigeria Limited	334,22,317.39	14,776,106.00
Redington Ghana, Limited	6,819.60	6,607.00
Total	**1380,03,800.06**	**90,062,998.43**

8. Short Term Provisions

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
Provision For Taxation	41,70,228.24	3,349.75
Total	**41,70,228.24**	**3,349.75**

9. Deferred Tax Liabilities:

Amount in □

Particulars	**31-Mar-16**	**31-Mar-15**
Deferred Tax Liability	18,27,856.23	-
Total	**18,27,856.23**	**-**

10. Fixed Assets: **Amount in □**

Particulars	**Land**	**Furniture & Fixtures**	**Special costs**	**Computers**	**Vehicles**	**Total**
Cost						
As at 01.04.15	**40,506.00**	**7,668,474.40**	**3,417,790.78**	**547,624.48**	**2,033,557.89**	**13,707,953.54**
Additions	--	44,065.38	56,890.38	1,90,401.92	--	2,91,357.69
Disposals	--	--	--	--	--	--
Translation adjustments	2,476.80	4,69,483.76	2,09,739.15	36,006.20	1,24,344.94	8,42,050.85
As at 31.3.16	**42,982.80**	**81,82,023.55**	**36,84,420.31**	**7,74,032.60**	**21,57,902.83**	**148,41,362.08**
Accumulated Depreciation						
As at 01.04.15	**40,506.00**	**2,410,919.58**	**1,062,389.12**	**218,420.79**	**1,186,706.25**	**4,918,941.74**
Additions	--	16,15,022.33	7,18,656.77	2,24,099.78	7,09,901.90	32,67,680.76
Disposals						
Translation adjustments	2,476.80	1,68,801.80	74,476.22	16,322.69	81,961.87	3,44,039.38
As at 31.3.16	**42,982.80**	**41,94,743.71**	**18,55,522.11**	**4,58,843.26**	**19,78,570.01**	85,30,661.89
Carrying Amount						
As at 01.04.15	-	**5,257,554.82**	**2,355,401.65**	**329,203.69**	**846,851.64**	**8,789,011.80**
As at 31.3.16	-	**39,87,279.83**	**18,28,898.20**	**3,15,189.34**	**1,79,332.81**	**63,10,700.19**

11. Inventories:

Amount in

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trading Stocks	175,32,060.37	75,561,553.30
Total	**175,32,060.37**	**75,561,553.30**

12. Trade receivables:

Amount in

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured and Considered good	753,38,075.71	83,546,028.16
Total	**753,38,075.71**	**83,546,028.16**

13. Cash and Cash Equivalent:

Amount in

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	3,69,271.57	286,267.67
(b) Balances with banks	48,50,907.86	9,906,193.49
Total	**52,20,179.43**	**10,192,461.16**

14. Short term Loans and advances:

Amount in

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Loans and advances to related parties*	724,55,961.68	9,513,967.55
(b) Loans and advances to employees	36,45,145.69	323,018.39
(c) Prepaid expenses - Unsecured, considered good	61,57,770.91	5,629,256.11
(d) Advances to suppliers	-	224,806.59
Total	**822,58,878.28**	**15,691,048.65**

***Due from Related Parties**

Amount in

Redington Gulf FZE	412,80,937.68	9,513,967.55
Cadensworth FZE	311,75,024.00	---
Total	**724,55,961.68**	**9,513,967.55**

15. Income from Operations:

Amount in

Particulars	**31-Mar-16**	**31-Mar-15**
(i)Sales	1514,48,888.96	333,706,302.92
(ii) Service Income	-	-
Total	**1514,48,888.96**	**333,706,302.92**

16. Other Income

Particulars	**31-Mar-15**	**31-Mar-14**
(a) Exchange gain	60,35,736.69	-
(B) Other non operating income	-	-
Total	**60,35,736.69**	**-**

17. Employee benefits:

Amount in

Particulars	**31-Mar-16**	**31-Mar-15**
(i) Salaries and Bonus	207,42,614.71	21,410,612.18
Total	**207,42,614.71**	**21,410,612.18**

18. Other Expense: **Amount in** □

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	77,17,413.83	9,486,945.93
Freight	178,28,990.76	-
Repairs and Maintenance	52,58,594.96	8,664,520.69
Utilities	-	945,978.13
Communication	46,73,036.04	3,063,196.21
Printing and Stationery	9,18,157.86	966,588.91
Advertisement	6,48,172.21	154,766.37
Travel	33,25,894.75	3,210,767.25
Professional Charges	59,48,391.53	2,671,602.37
Exchange Gain/(Loss) Net	76,00,435.68	12,786,863.50
Packing Charges	1,75,107.29	-
Electricity charges	5,96,661.09	-
Bank Charges	1,52,487.61	436,011.18
Miscellaneous Expenses	55,48,669.17	1,139,132.57
Total	**603,92,012.78**	**43,526,373.10**

19. Contingent Liabilities and Capital commitments:

There were no significant contingent liabilities as at 31st March 2016 (31st March 2015-Nil)

20. Post Balance sheet Events:

There were no significant post balance Sheet events which would have had any material effect on the balance sheet at 31st March 2016 and the profit for the year ended on that date, which have not been adequately provided for or disclosed in these financial statements

Ensure Technical Services Kenya Limited

Standalone Balance Sheet as at 31 March,2016

		Amount in ₹		
	Particulars	**Note.No**	**As at 31.3.2016**	
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	2	653,400.00	676,000.00
	(b) Reserves and surplus	3	(2,185,007.36)	(2,169,504.61)
			(1,531,607.36)	**(1,493,504.61)**
2	**Non-current liabilities**			
	Long-term provisions		-	167,450.39
			-	167,450.39
3	**Current liabilities**			
	Trade payables	4	2,917,431.00	2,131,574.56
	Other current liabilities	5	38,838,749.40	24,198,563.21
			41,756,180.40	**26,330,137.77**
	TOTAL		**40,224,573.04**	**25,004,083.55**
B	**ASSETS**			
1	**Non-current assets**			
	Fixed assets-Tangible assets	6	3,172,882.91	4,978,035.97
	(ii) Intangible assets		20,898.53	39,873.37
			3,193,781.44	**5,017,909.34**
2	**Current assets**			
	(a) Inventories	7	5,279,472.00	5,184,349.25
	(b)Trade receivables	8	18,989,764.20	13,984,330.20
	(c) Cash and cash equivalents	9	3,680,602.20	621,112.70
	(d) Short-term loans and advances	10	9,080,953.20	196,382.06
			37,030,791.60	**19,986,174.21**
	TOTAL		**40,224,573.04**	**25,004,083.55**
ınying notes forming part of financial statements				

Ensure Technical Services Kenya Limited

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note. No	31st March,2016	31st March,2015
		2015-16	2014-15
Income			
Revenue from operations	11	34,031,751.69	47,086,663.85
Other income	12	778,761.60	-
Total Revenue		**34,810,513.29**	**47,086,663.85**
Expenses:			
Purchases of trading stock		7,972,600.38	33,286,740.07
Changes in inventories of trading stock		(96,429.55)	(115,834.36)
Employee benefits	13	6,507,477.78	5,260,184.73
Depreciation & Amortisation	6	1,827,745.66	1,839,667.11
Other expenses	14	18,799,669.66	9,441,806.15
Total expenses		**35,011,063.94**	**49,712,563.70**
Profit before tax		**(200,550.65)**	**(2,625,899.85)**
Exceptional items			-
Profit before extraordinary items and tax		**(200,550.65)**	**(2,625,899.85)**
Extraordinary Items			-
Profit before tax		**(200,550.65)**	**(2,625,899.85)**
Tax expense:			
Current tax			
Profit after Tax		**(200,550.65)**	**(2,625,899.85)**
Profit for the Year		**(200,550.65)**	**(2,625,899.85)**
Earnings per equity share:			
Basic			
Diluted			
See accompanying notes forming part of financial statements			

Ensure Technical Services Kenya Limited

Cash Flow Statement for the year ended March 31, 2016

Amour

Particulars	**Year Ended March 31, 2016**	
Cash flow from operating activities:		
Net Profit before taxation	**-200,550.65**	
Adjustments for:		
- Depreciation	1,827,745.66	
Operating Profit before working capital changes	**1,627,195.01**	
Increase in Trade receivables	(5,005,434.00)	
Increase in Loans & advances and Other current assets	(8,884,571.14)	
Increase in inventories	(95,122.75)	
Increase in Trade Payables, Other Current Liabilities & Provisions	15,426,042.63	
Cash generated from operations	3,068,109.75	
Interest Paid by Financial Services Subsidiary	-	
Direct taxes paid	-	
Net Cash (used in) / generated from operating activities		**3,068,109.75**
Cash flow from investing activities:		
Purchase of fixed assets	-176,458.52	
Net Cash used in investing activities		**(176,458.52)**
Cash flow from financing activities:		
Net Cash generated from financing activities		**-**
Net (decrease) / increase in cash and cash equivalents		**2,891,651.23**
Cash and cash equivalents at the beginning of the year		**621,112.70**
Currency Translation Adjustment		167,838.27
Cash and cash equivalents at the end of the year		**3,680,602.20**

Ensure Technical Services Kenya Limited

COMPANY FINANCIAL STATEMENTS

31 MARCH 2016

CORPORATE INFORMATION

DIRECTORS	Raj Shankar* Sriram Ganeshan** * Singaporean ** Indian
SECRETARY	Winnie Jumba Certified Public Secretary (Kenya) Deloitte Place Waiyaki way, Muthangari P O Box 30029 - 00100 Nairobi
REGISTERED OFFICE	Deloitte Place Waiyaki way, Muthangari P O Box 30029 - 00100 Nairobi
PRINCIPAL PLACE OF BUSINESS	Austen Place School Lane, Westlands Nairobi
AUDITORS	Deloitte & Touche Certified Public Accountants (Kenya) Deloitte Place Waiyaki way, Muthangari P O Box 40092 - 00100 Nairobi
BANKERS	Standard Chartered Bank Kenya Limited Westlands Branch P O Box 30003 - 00100 Nairobi NIC Bank Limited The Mall Branch, Westlands P O Box 44599-00100 Nairobi

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 March 2016. The company also prepares consolidated financial statements available for shareholders as required by section 150 of the Kenyan Companies Act and International Accounting Standard No. 27 on Consolidated and Separate financial statements.

ACTIVITIES

The company imports and distributes information technology products.

RESULTS

	INR
Loss before taxation	(2,00,550.65)
Taxation charge	-
Loss for the year	(2,00,550.65)
	=======

DIVIDEND

The directors do not recommend the payment of a dividend for the year.

DIRECTORS

The current directors are shown on page 2.

AUDITORS

Deloitte & Touche, having expressed their willingness, continue in office in accordance with section 159 (2) of the Companies Act.

BY ORDER OF THE BOARD

Secretary

May, 24,2016

Nairobi

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the directors to ensure that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ENSURE TECHNICAL SERVICES KENYA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Ensure Technical Services Kenya Limited which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the company's preparation of financial statements that give a true and fair view in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of the company as at 31 March 2015 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Kenyan Companies Act.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 3 in the financial statements which indicates that the company incurred a loss before tax of INR 7,16,903 during the year ended 31 March 2016 (2015: INR 26,25,899) and as at that date its current liabilities exceeded its current assets by INR 52,42,882 (2015: INR 63,94,284) and it had accumulated losses of INR 27,03,115 (2015: INR 22,52,336).

Report on Other Legal Requirements

As required by the Kenyan Companies Act we report to you, based on our audit, that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
ii) in our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and
iii) the company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Certified Public Accountants (Kenya)

May,24,2016

Nairobi

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

The company also prepares consolidated financial statements as required by IAS 27 (Consolidated and separate financial statements) and section 150 of the Kenyan Companies Act.

For the Kenyan Companies Act reporting purposes, in these financial statements the balance sheet is represented by the statement of financial position and the profit and loss account is presented in the statement of comprehensive income.

(a) Adoption of new and revised International Financial Reporting Standards (IFRS)

(i) New standards and interpretations and amendments to published standards effective for the year ended 31 March 2016

Several new and revised standards and interpretations to published standards became effective during the year and were adopted by the company.

The adoption of these amendments has not had any material effect on amounts reported in the financial statements.

(ii) New standards and amendments to published standards and interpretations in issue but not yet effective in the year ended 31 March 2016

At the date of authorisation of these financial statements, several new and revised standards and interpretations were in issue but not yet effective. The adoption of these standards and interpretations when effective will not have a significant impact on the company's financial statements when effective.

(b) Early adoption of standards

The company did not early-adopt any new or revised standards and interpretations in 2016.

Basis of accounting

The financial statements are prepared under the historical cost basis of accounting. The principal accounting policies adopted remain unchanged from the previous year and are presented below.

Revenue recognition

Revenue is recognised upon the delivery and acceptance of products by customers and represents the value of goods invoiced to customers during the year net of value added tax, sales returns and trade discounts.

Taxation

The income tax expense represents the sum of the current tax payable and the deferred taxation. Current taxation is provided on the basis of the results for the year, as shown in the financial statements, adjusted in accordance with tax legislation.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

Equipment

Equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated to write off the cost of the equipment in equal annual installments over their estimated useful lives. The annual rates in use are:

Motor vehicles	30%
Furniture and fittings	20%
Computers	20%
Office equipment	12.5%

Intangible assets

Intangible assets represent computer software and are stated at cost less the amortized value. Amortization is calculated to write off the cost of computer software on a straight line basis over its estimated useful life of eight years. The annual rate in use is 12.5%.

Inventories

Inventories are stated at the lower of purchase cost and net realizable value. Cost is determined by the weighted average method. The cost of finished goods comprises direct purchase cost, insurance, freight and other incidental costs. Net realizable value is the estimate of the selling price in the ordinary course of business. Specific provision is made for obsolete, slow moving and defective inventories.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the lessee.

All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease.

Assets acquired under finance leases are capitalised at the dates of the agreements. The interest element of each installment is charged to profit or loss at the time that each installment falls due.

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into Kenya Shillings at the rates of exchange ruling at year end. Transactions during the period are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are dealt with in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognized in the company’s statement of financial position when the company has become party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on the review of all outstanding amounts at the year end. Bad debts are written off when all reasonable steps to recover them have failed.

Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Trade payables

Trade payables are stated at their nominal value.

Accrued leave pay

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to year end.

Retirement benefits obligations

The company and its employees contribute to the National Social Security Fund, which is a defined contribution scheme. The company's contributions are charged to the profit or loss account in the year to which they relate. The company has no further obligation once the contributions have been paid.

Equity-settled share based payments

Share Purchase options granted by the Holding Company to employees under the Group's Employee Stock Option Plan are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based transactions are set out.

The fair value determined at the grant date of the equity-settled share based payments is expensed over the vesting period based on the management's estimate of equity instruments that will eventually vest. At each period end, management revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss over the remaining vesting period, with a corresponding adjustment to the equity-settled employee benefits reserve.

The policy described above is applied to all equity-settled share based payments that were granted after 29 February 2008 by the board of the holding company (and implemented by the Company and its subsidiaries in April 2008).

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY

In the process of applying the company's accounting policies, the directors have made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key areas of judgment in applying the company's accounting policies are dealt with below:

Critical judgments in applying accounting policies

Equipment

Critical estimates are made by the management, in determining depreciation rates for equipment.

Impairment losses

At each year end, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Classification of financial assets and liabilities

Critical judgments are made by the company in classifying its financial assets and liabilities.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of Equipment

As described above, the company reviews the estimated useful lives of equipment at the end of each annual reporting period.

Share-based payments

In determining the fair value of share-based payments and the related charge to profit or loss, certain assumptions have to be made about future events and market conditions. In particular, judgments were made about the likely number of options that will vest, and the fair value of each option granted. The fair value was determined using a valuation model which is dependent on further estimates, including the Redington India Limited future dividend policy, risk-free interest rate and the timing with which options will be exercised and the future validity in the price of the options.

2. Share Capital:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up capital	6,53,400.00	676,000.00

3. Reserves and Surplus:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Profit and Loss Account		
Opening Balance	(21,91,296.80)	434,603.05
Add: Current year profit	(2,00,550.65)	(2,625,899.85)
Closing Balance	**(23,91,847.44)**	**(2,191,296.80)**
(b) Foreign Currency Translation reserve	**31-Mar-16**	**31-Mar-15**
Opening balance	21,792.19	(3,154.32)
Movement during the year	1,85,047.89	24,946.51
Closing balance	**2,06,840.08**	**21,792.19**
Total	**(21,85,007.36)**	**(2,169,504.61)**

4. Trade Payables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trade Payables	14,60,349.00	1,619,531.46
(b) Expense Payable	11,41,489.80	512,043.10
(e) Other Payables	3,15,592.20	-
Total	**29,17,431.00**	**2,131,574.56**

5. **Other Current Liabilities:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Due to related parties	388,38,749.40	24,198,563.21
Total	**388,38,749.40**	**24,198,563.21**

6. **Assets:**

a. **Tangible assets:**

Amount in ₹

Particulars	**Furniture & Fixtures**	**Computers**	**Vehicles**	**Total**
Cost				
As at 01.04.15	**63,04,311.56**	**5,79,764.41**	**11,65,878.39**	**80,49,954.36**
Additions	23,440.98	1,42,599.32	-	1,66,040.31
Translation adjustments	(2,10,684.03)	(18,887.38)	(38,977.59)	(2,68,549.00)
As at 31.3.16	**61,17,068.52**	**7,03,476.35**	**11,26,900.80**	**79,47,445.67**
Accumulated Depreciation				
As at 01.04.15	**21,01,931.77**	**2,89,624.70**	**6,80,361.91**	**30,71,918.39**
Additions	12,14,373.23	2,11,620.00	3,73,753.48	17,99,746.71
Translation adjustments	(66,053.91)	(8,947.72)	(21,447.70)	(96,449.34)
As at 31.3.16	**32,50,251.09**	**4,92,296.98**	**10,32,667.68**	47,75,215.76
Carrying Amount				
As at 01.04.15	**42,02,379.79**	**2,90,139.71**	**4,85,516.48**	**49,78,035.97**
As at 31.3.16	**28,66,817.43**	**2,11,179.37**	**94,233.11**	**31,72,229.91**

Intangible Assets

Amount in ₹

Particulars	**Software**	**Total**
Cost		
As at 01.04.15	**54,450.12**	**54,450.12**
Additions	10,418.22	10,418.22
Translation adjustment	(1,784.19)	(1,784.19)
As at 31.3.16	**63,084.15**	**63,084.15**
Accumulated Depreciation	**Software**	**Software**
As at 01.04.15	**14,576.75**	14,576.75
Additions	27,998.95	27,998.95
Translation adjustment	(390.08)	(390.08)
As at 31.3.16	**42,185.62**	**42,185.62**
Carrying Amount	**Software**	**Total**
As at 01.04.15	**39,873.37**	**39,873.37**
As at 31.3.16	**20,898.53**	**20,898.53**

7. Inventories:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trading Stocks	43,74,513.00	3,999,709.35
(b) Goods In Transist	9,04,959.00	1,184,639.89
Total	**52,79,472.00**	**5,184,349.25**

8. Trade Receivables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured and Considered good	189,89,764.20	13,984,330.20
Total	**189,89,764.20**	**13,984,330.20**

9. Cash and Cash Equivalents:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	32,670.00	52,601.59
(b) Balances with banks	36,47,932.20	568,511.11
Total	**36,80,602.20**	**621,112.70**

10. Short-term Loans and advances:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Loans and advances to related parties	41,32,755.00	
(b) Security deposits - Unsecured, considered good	7,25,274.00	108,160.00
(c) Prepaid expenses - Unsecured, considered good	19,602.00	88,222.06
(d) Advances to suppliers Unsecured, considered good	42,03,322.20	-
Total	**90,80,953.20**	**196,382.06**

11. Revenue from Operations:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i)Sales	340,31,751.69	47,086,663.85
Total	**340,31,751.69**	**47,086,663.85**

12. Other Income:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Other non operating income	7,78,761.60	-
Total	**7,78,761.60**	**-**

13. Employee Benefits:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i) Salaries and Bonus	65,07,477.78	5,260,184.73
Total	**65,07,477.78**	**5,260,184.73**

14. Other Expense:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	31,13,744.12	2,574,990.00
Freight	-	407,512.39
Repairs and Maintenance	7,56,622.89	1,112,942.26
Utilities	2,23,340.49	670,041.36
Insurance	1,88,179.02	93,045.76
Distribution expenses	8,70,572.12	-
Communication	3,94,589.91	861,520.00
Printing and Stationery	94,01,137.11	-
Advertisement	2,83,896.37	40,163.54
Travel	8,11,969.66	2,379,184.59
Professional Charges	3,90,031.94	649,735.47
Auditor's Remuneration	4,44,076.43	280,665.00
Exchange Gain/(Loss) Net	-	161,000.41
Bank Charges	55,997.91	46,311.01
Miscellaneous Expenses	18,65,511.69	164,694.35
Total	**187,99,669.66**	**9,441,806.15**

15. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The company was not geared as at 31 March 2016 (2015 – nil).

16. OPTIONS ISSUED TO EMPLOYEES

The parent company, Redington India Limited has granted options under the Employees Stock Option Plan' 2008. Under the terms of this plan, the parent company has granted options to employees of the Group to purchase equity shares of the parent company at an exercise price of Indian Rupee (INR) 348.05. These options vest over a period of 36 months from the date of grant and are to be exercised within a maximum period of 5 years from the date of vesting. These options were subsequently re-priced from Indian Rupee (INR) 348.05 to Indian Rupee (INR) 130 on 28 January 2011.

Options are granted at the discretion of the management of the parent company. The options vest over the three year period in the following manner: 50% of options at the end of year 1, 25% of options at the end of year 2 and 25% options at the end of year 3 from the date of grant.

The fair values of options granted, being Sh NIL (2015: Sh NIL) is recorded as an expense by the company in the income statement over the relevant vesting or service periods, adjusted to reflect actual and expected levels of vesting.
The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions (based on year of grant and the year of re-pricing):

	Date of grant/re-pricing	
	28 February 2008	29 January 2011
	INR	INR
Exercise price		348.05
Risk free interest rate		7.25%
Expected life (in years)		4.25
Expected volatility		61%
Dividend yield		1.74
Fair value of option		171.33
Fair value of option – post re-pricing *		N.A
Differential cost on re-pricing of option		N.A

* Fair value per option (prior to re-pricing) was INR 15.93

The options activity is summarized below:

Options gran	Nil
Options lapsed:	-
Options exercised:	5,250
Outstanding as at 31 March 2014:	11,250

17. INCORPORATION

The company is domiciled and incorporated in Kenya under the Companies Act. The holding company is Redington Gulf FZE incorporated in The United Arab Emirates.

18. CURRENCY

These financial statements are prepared in INR.

Ensure Services Uganda Limited

Standalone Balance Sheet as at 31 March,2016

		Amount in ₹		
	Particulars	**Note.No**	**As at 31.3.2016**	**As at 31.3.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	1	514,170.00	105,000.00
	(b) Reserves and surplus	2	5,261,022.90	1,623,027.00
			5,775,192.90	1,728,027.00
3	**Current liabilities**			
	Trade payables	5	8,427,600.90	12,034,995.00
			8,427,600.90	12,034,995.00
	TOTAL		**14,202,793.80**	**13,763,022.00**
B	**ASSETS**			
1	**Non-current assets**			
	Fixed assets-Tangible assets	6	672,577.70	1,045,191.00
	(c)Deferred tax assets (net)	8.00	152,596.20	124,971.00
			825,173.90	**1,170,162.00**
2	**Current assets**			
	(a) Inventories	9	566,985.70	4,646,943.00
	(b)Trade receivables	10	933,523.90	6,031,872.00
	(c) Cash and cash equivalents	11	978,085.30	1,780,233.00
	(d) Short-term loans and advances	12	10,899,005.30	133,812.00
			13,377,600.20	**12,592,860.00**
	TOTAL		**14,202,793.80**	**13,763,022.00**
ccompanying notes forming part of financial stater				

Ensure Services Uganda Limited

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note. No	31st March,2016	31st March,2015
		2015-16	2014-15
Income			
Revenue from operations	13	34,059,581.14	15,417,896.96
Other income	14	994,345.29	-
Total Revenue		**35,053,926.43**	**15,417,896.96**
Expenses:			
Purchases of trading stock		27,143,260.24	7,968,608.04
Changes in inventories of trading stock		4,079.96	(201.30)
Employee benefits	15	1,575,634.94	1,602,784.99
Finance costs	16	-	57,842.30
Depreciation & Amortisation	3	306,468.23	343,747.89
Other expenses	17	2,945,800.87	3,789,277.96
Total expenses		**31,975,244.23**	**13,762,059.87**
Profit before tax		**3,078,682.20**	**1,655,837.09**
Tax expense:			
Current tax		12,745.00	505,153.10
Profit after Tax		**3,065,937.20**	**1,150,683.99**
Profit for the Year		**3,065,937.20**	**1,150,683.99**
See accompanying notes forming part of financial statements			

Ensure Services Uganda Limited

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**3,078,682.20**		**1,655,837.09**	
Adjustments for:				
- Depreciation	306,468.23		343,747.89	
- Finance cost	-		57,842.30	
Operating Profit before working capital changes	**3,385,150.43**		**2,057,427.28**	
Increase in Trade receivables	5,098,348.10		(5,139,172.00)	
Increase in Loans & advances and Other current assets	(10,792,818.50)		(133,812.00)	
Increase in inventories	4,079,957.30		(201,303.00)	
Increase in Trade Payables, Other Current Liabilities & Provisions	-3,607,394.10		3,792,795.00	
Cash generated from operations	**(1,836,756.77)**		**375,935.28**	
Direct taxes paid	-12,745.00		(630,124.10)	
Net Cash (used in) / generated from operating activities		**(1,849,501.77)**		**(254,188.82)**
Cash flow from investing activities:				
Purchase of fixed assets	-		(26,874.63)	
Net Cash used in investing activities		-		**(26,874.63)**
Cash flow from financing activities:				
Proceeds from issue of share capital	409,170.00			
Finance cost paid	-		(57,842.30)	
Net Cash generated from financing activities		**409,170.00**		**(57,842.30)**
Net (decrease) / increase in cash and cash equivalents		**(1,440,331.77)**		**(338,905.75)**
Cash and cash equivalents at the beginning of the year		**1,780,233.00**		**2,249,060.00**
Currency Translation Adjustment		638,184.07		(129,921.25)
Cash and cash equivalents at the end of the year		**978,085.30**		**1,780,233.00**

ENSURE SERVICES UGANDA, LTD.

FINANCIAL STATEMENTS

31 MARCH 2016

ENSURE SERVICES UGANDA, LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Company information

DIRECTORS : Raj Shankar
: Sriram Ganeshan

REGISTERED OFFICE : Plot 15
: Mulwana Road
: Industrial Area
: P.O.Box 33009
: Kampala

COMPANY SECRETARY : Hem Registrars Limited
: P.O.Box 26898
: Kampala

INDEPENDENT AUDITOR : PKF Uganda
: Certified Public Accountants
: P.O.Box 24544
: Kampala

PRINCIPAL BANK : Diamond Trust Bank (U) Limited
: P.O.Box 7155
: Kampala, Uganda

ENSURE SERVICES UGANDA, LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 March, 2015 which disclose the state of affairs of Ensure Services Uganda Limited ("the company").

PRINCIPAL ACTIVITY
The company's principal activity is trading and servicing of various categories of products and assesories of information technology.

Results	**2016** **INR**	**2015** **INR**
Profit before tax	30,87,799.78	1,655,837.08
Tax	12,745	505,153.10
Profit for the year	30,75,054.78	1,150,683.98

SHARE CAPITAL

The authorised, issued and paid up share capital is INR 5, 14,170 (2015: INR. 105000)
DIVIDENDS

The directors do not propose the declaration of a dividend for the year (2015: Nil).

DIRECTORS

The directors who held office during the period and at the date of this report are shown on page 1.

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

INDEPENDENT AUDITOR

The company's auditor, PKF Uganda, has indicated willingness to continue in office in accordance with the Ugandan Companies Act, 2012.

BY ORDER OF THE BOARD
DIRECTOR
KAMPALA
May,24,2016

ENSURE SERVICES UGANDA, LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Ugandan Companies Act 2012 requires the directors to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and the operating results for that year. It also requires the directors to ensure that the company maintains proper accounting records which disclose with reasonable accuracy the financial position of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

(i) Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

(ii) Selecting and applying appropriate accounting policies;

(iii) Making accounting estimates and judgements that are reasonable in the circumstances;

The Directors are of the opinion that the financial statements give a true and fair view of the financial position of the company as at 31 March 2015 and of the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2012.

The directors further confirm the accuracy and completeness of the accounting records maintained by the company which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the board of directors on May,24, 2016 and signed on its behalf by:

Sd:-
DIRECTOR

Sd:-
DIRECTOR

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ENSURE SERVICES (UGANDA) LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Ensure services (Uganda) Limited (the “Company”), set out on pages 6 to 22 which comprise the statement of financial position as at 31 March 2016 and the statement of profit orloss, the statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Companies Act, 2012, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free frommaterial misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the accompanying financial statements give a true and fair view of the the financial position of Ensure services (Uganda) Limited as at 31 March 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Uganda Companies Act, 2012 (Section 170).

Report on other legal requirements

As required by the Uganda Companies Act, 2012 (Section 170), we report to you, based on our audit, that:
(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
(ii) in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
(iii) the company’s statement of financial position and statement of profit and loss are in agreement with the books of account.

Certified Public Accountants
Kampala
REF: RB/EO45/…../15
2016

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, except 'as indicated otherwise below and are in accordance with International Financial Reporting Standards (IFRS). The historical cost convention is generally based on the fair value of the consideration given in exchange of assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair
value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Going concern

The financial performance of the company is set out in the Director's report and in the statement of profit or loss. The financial position of the company is set out in the statement of financial position. Disclosures in respect of risk management are set out in note 20.

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company is well placed to continue in business for the forseable future and as a result the financial statements are prepared on a going concern basis.

(i) New and amended standards adopted by the company

The following new and revised Standards and Interpretations have been adopted in the current year. Unless otherwise disclosed, their adoption has had no material impact on the amounts reported in these financial statements:

- Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities clarifying the meaning of current legal enforceable right of set off and simultaneous realisation and settlement.

- Amendments to IAS 36 in respect of recoverable amount disclosures for non financial assets.

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective for the year presented:

- IFRS 15 in respect of Revenue from Contracts with Customers which will be effective for accounting periods beginning on or after 1 January 2017.

- IFRS 9 in respect of Financial Instruments which will be effective for the accounting periods beginning on or after 1 January 2018.

(ii). New standards, amendments and interpretations issued but not yet effective

- Amendments to IAS 16 and IAS 38 in respect of Clarification of Acceptable Methods of Depreciation and Amortisation which will be effective for accounting periods beginning on or after 1 January 2016.

The directors expect that the future adoption of IFRS 9, IFRS 15 may have a material impact on the amounts reported. However, it is not practicable to provide a reliable estimate of the effects of the above until a detailed review has been completed. The directors do not expect that adoption of the other Standards and Interpretations will have a material impact on the financial statements in future periods. The entity plans to apply the changes above from their effective dates noted above.

b) Key sources of estimation uncertainity

In the application of the accounting policies, the directors are required to make the judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates arerecognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of trade receivables - the company reviews their portfolio of trade receivables on an annual basis In determining whether receivables are impaired, the management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cashflows expected.

Useful lives of property and equipment - Management reviews the useful lives and residual values of the items of property and equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

c) Significant judgements made by management in applying the company's accounting policies

Directors have made the following judgements that are considered to have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition - In making their judgement, the directors considered the detailed criteria for the recognition of revenue from the sale of service set out in IAS 18 and, in particular, whether the company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the company's liability in respect of rectification work, and the agreed limitation of the customer's ability to require further work or to require the replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of an appropriate provision for the recitication costs.

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the company’s activities. Revenue is shown net of value-added tax (VAT), returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales of services are recognised in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a percentage of the total services to be provided.

Revenue is recognised as follows:

(i) Sales of goods are recognised upon delivery of products and customer acceptance;
(ii) Sales of services are recognised upon performance of the services rendered by reference to the stage of completion of the service contract;

e) **Transactions of foreign currencies**

Transactions in foreign currencies during the year are converted into Uganda Shillings (the functional currency), at the rates ruling at the transaction dates. 'At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise.

f) Property and equipment

All categories of property and equipment are initially recorded at cost. All property and equipment is subsequently stated at historical cost less depreciation. Historical cost includes expenditure that is directlyattributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to thecompany and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to write down their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Office Equipment	20%
Fixtures, fittings and equipment	20%
Computer equipment	15%

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

g) **Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Management determines all classification of financial assets at initial recognition.

Financial assets
Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

The company's financial assets fall into the following categories:

Loans and receivables: financial assets with fixed or determinable payments that are not quoted in an an active market. Such assets are classified as current assets where maturities are within 12 months of the reporting date. All assets with maturities greater than 12 months after the reporting date are classified as non-current assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method. Changes in the carrying amount are recognised in profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. Impairment of financial assets is recognised in the statement of profit or loss under administrative expenses when there is objective evidence that the company will not be able to collect all amounts due per the original terms of the contract. Significant financial difficulties of the issuer, probability that the issuer will enter bankruptcy or financial reorganisation, default in payments and a prolonged decline in fair value of the asset are considered indicators that the asset is impaired.

Purchases and sales of financial assets are recognised on the trade date i.e. the date on which the company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. Impairment of financial assets is recognised in the statement of comprehensive income under administrative expenses when there is objective evidence that the company will not be able to collect all amounts due per the original terms of the contract. Significant financial difficulties of the issuer, probability that the issuer will enter bankruptcy or financial reorganisation, default in payments and a prolonged decline in fair value of the asset are considered indicators that the asset is impaired.

The amount of the impairment loss is calculated as the difference between the assets carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate. Impairement losses are recognised in profit or loss.

Subsequent recoveries of amounts previously written off/impaired are credited to profit or loss.

Gains and losses on disposal of assets whose changes in fair value were initially recognised in profit or loss are determined by reference to their carrying amount and are taken into account in determining operating profit/(loss).

Financial liabilities

The company's financial liabilities which include trade payables, other payables and borrowings; fall into the following category:

Financial liabilities measured at amortised cost : These include borrowings, trade and other payables and current tax. These are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in profit or loss under finance costs under the effective interest rate method.

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the proceeds (net of net transaction costs) and the redemption value is recognised as interest expense in profit or loss under finance costs.

All financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled or expired.

- Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when 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.

h) **Inventories**

Inventories comprise work in progress and are stated at the lower of cost and net realisable value. Cost is determined by the first-in-first-out (FIFO) basis and comprises all costs attributable to bringing the the properties to their current location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

i) **Share capital**

Ordinary shares are classified as ‘share capital’ in equity. Any premium received over and above the par value of the shares is classified as ‘share premium’ in equity.

j) **Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and financial assets with maturities of less than 12 months, net of bank overdrafts. Restricted cash balances are those balances that the company cannot use for working capital purposes as they have been placed as a lien to secure borrowings. In the statement of financial position, bank overdrafts are included within borrowings in current liabilities.

k) **Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Current tax
Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

Deferred tax
Deferred tax is provided using the liability method for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax asset for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recoverable entirely through sale unless presumption is rebutted. The presumption is rebutted when the investment property is depreciable and held within a business model whose objective is to consume substantially all its economic benefits embodied in it over time rather than through sale.

l) **Comparatives**
Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

j) **Provisions**

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimatedRestructuring provisions comprise lease termination penalties and oyees termination payments. Provisions for future operating losses are not recognised.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

The amount recognised as a provision is the best estimate of the present value of expenditures expected to be incurred to settle the obligation using a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in profit or loss under finance costs.

k) **Employee entitlements**

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

l) **Retirement benefit obligations**

Employee entitlements to long service awards are recognised when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the reporting date. The company operates a defined contribution staff retirement benefit scheme for its permanent and pensionable employees. The scheme is administered by an insurance company. The company's contributions to the defined contribution retirement benefit scheme are charged to profit or loss in the year to which they relate. The company has no further payment obligations once the contributions have been paid.

2. Risk management objectives and policies

The company’s activities expose it to a variety of financ2i1al risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

Risk management is carried out by the management under policies approved by the board of directors.

Management identifies, evaluates and hedges financial risks in close co-operation with various departmental heads. The board provides written principles for overall risk mangement, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk.

a) Market Risk

- Foreign exchange risk

The table below summarises the effect on post-tax profit and components of equity had the Uganda Shilling weakened by 10% against the United States Dollar (US $), with all other variables held constant. If the Uganda shilling strengthened by 10% against the United States Dollar (US $), the effect would have been the opposite.

b) Credit risk

Credit risk arises from cash and cash equivalents and trade and other receivables. Management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors. Individual limits are set based on internal or external information in accordance with limits set by the management. The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties. None of the financial assets that are fully performing has been renegotiated in the last year. Exposure to this risk has been quantified in each financial asset note in the financial statements along with any concentration of risk.

C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the group's management maintains flexibility in funding by maintaining availability under committed credit lines.

3. Capital management

Internally imposed capital requirements

The group's objectives when managing capital are:
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk;
- to comply with the capital requirements set out by the group's bankers;
-to safeguard the entity’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong asset base to support the development of business.
- to maintain an optimal capital structure to reduce the cost of capital.

The company sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Consistently with others in the industry, the group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt : capital.

Net debt is calculated as total debt less equivalents. Capital comprises all components of equity (i.e. share capital, retained earnings, and revaluation surplus).

The debt-to-capital ratio at 31 March 2014 was nil because the company had no borrowings.

4. Share Capital:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Issued, Subscribed and Paid up capital	**5,14,170.00**	**105,000.00**

5. Reserves and Surplus:

Particulars	31-Mar-16	31-Mar-15
(a) Profit and Loss Account		
Opening Balance	17,15,229.62	564,545.64
Add: Current year profit	30,75,054.78	1,150,683.98
Closing Balance	**47,90,284.40**	**1,715,229.62**
(b) Foreign Currency Translation reserve	**31-Mar-16**	**31-Mar-15**
Opening balance	(92,202.62)	(42,125.64)

Movement during the year	5,62,941.12	(50,077.47)
Closing balance	4,70,738.50	(92,202.62)
Total	**52,61,022.90**	**1,623,027.00**

6. Fixed Assets:

Amount in ₹

Particulars	**Furniture & Fixtures**	**Special costs**	**Computers**	**Total**
Cost				
As at 01.04.15	**1,087,968.00**	**465,843.00**	**67,935.00**	**1,621,746.00**
Additions	-	-	-	-
Translation adjustments	(67,350.40)	(28,837.90)	(4,205.50)	(1,00,393.80)
As at 31.03.16	**10,20,617.60**	**4,37,005.10**	**63,729.50**	**15,21,352.20**
Accumulated Depreciation				
As at 01.04.15	**380,940.00**	**163,107.00**	**32,508.00**	**576,555.00**
Additions	2,03,155.30	86,979.72	16,333.21	3,06,468.23
Translation adjustment	(22,625.60)	(9,687.62)	(1,935.51)	(34,248.73)
As at 31.03.16	**5,61,469.70**	**2,40,399.10**	**46,905.70**	8,48,774.50
Carrying Amount				
As at 01.04.15	**707,028.00**	**302,736.00**	**35,427.00**	**1,045,191.00**
As at 31.03.16	**4,59,147.90**	**1,96,606.00**	**16,823.80**	**6,72,577.70**

7. Trade Payables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trade Payables	9,70,244.70	2,736,342.00
(b) Expense Payable	13,31,818.50	932,316.00
(c)Due to related parties	61,10,762.70	8,123,178.00
(e) Other Payables	14,775.00	243,159.00
Total	**84,27,600.90**	**12,034,995.00**

8. Deferred tax Assets/ liabilities:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Deferred Tax Asset/ Liability	1,52,596.20	124,971.00
Total	**1,52,596.20**	**124,971.00**

9. Inventories:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trading Stocks	5,66,985.70	4,646,943.00
Total	**5,66,985.70**	**4,646,943.00**

10.Trade Receivables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured and Considered good	9,33,523.90	6,031,872.00
Total	**9,33,523.90**	**6,031,872.00**

11. Cash and Cash Equivalents:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	-	1,780,233.00
(b) Balances with banks	9,78,085.30	
Total	**9,78,085.30**	**1,780,233.00**

12. Short term loans and advances:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Loans and advances to related parties*	45,87,105.60	-
(b) Security deposits - Unsecured, considered good	45,644.90	-
(c) Prepaid expenses - Unsecured, considered good	58,095.30	-
(d) Prepaid Taxes	-	1,33,812.00
(e) Others	62,08,159.50	
Total	**108,99,005.30**	**1,33,812.00**

13. Revenue from operations:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i)Sales	340,59,581.14	4,418,931.44
(ii) Service Income	-	10,948,814.53
(iii) Others	-	50,150.98
Total	**340,59,581.14**	**15,417,896.96**

14. Other income

Particulars	31-Mar-16	31-Mar-15
Total	**9,94,345.29**	-

15. Employee benefits:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i) Salaries and Bonus	15,75,634.94	1,353,986.63
(ii) Contribution to Provident Fund and other Funds	-	167,274.90
(iii) Welfare Expenses	-	81,523.46
Total	**15,75,634.94**	**1,602,784.99**

16. Finance Expenses:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Foreign exchange loss,net	-	57,842.30
Total	**-**	**57,842.30**

17. Other Expenses:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	14,14,263.63	1,269,854.42
Repairs and Maintenance	2,28,586.48	199,816.82
Utilities	1,96,018.10	-
Insurance	22,137.08	29,595.83
Communication	2,95,860.47	601,631.90
Printing and Stationery	78,979.78	88,135.30
Advertisement	76,607.25	-
Travel	4,35,114.30	224,397.54
Professional Charges	1,12,744.23	1,133,074.91
Auditors remuneration	68,254.38	-
Bad Debts	14,14,263.63	14,977.83
Electricity charges	-	226,399.09
Bank charges	8,117.58	-
Cash discount paid	-	1,394.33
Miscelleneous	9,078.36	-
Total	**29,45,800.87**	**3,789,277.96**

18. Country of incorporation

Ensure services (U) Limited is incorporated in Uganda under the companies Act as a private limited liability and is domiciled in Uganda.

19. Subsequent events

There are no subsequent events which require disclosure or an adjustment to the financial statements.

Ensure Technical Services Tanzania Limited

Standalone Balance Sheet as at 31 March,2016

				Amount in ₹
	Particulars	**Note.No**	**As at 31.3.2016**	**As at 31.3.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	4	35,800.00	33,800.00
	(b) Reserves and surplus	5	(1,014,406.60)	(973,250.10)
			(978,606.60)	(939,450.10)
3	**Current liabilities**			
	(a) Trade payables	6	43,213,714.60	22,624,097.60
			43,213,714.60	22,624,097.60
	TOTAL		**42,235,121.60**	**21,684,647.50**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets- (i) Tangible assets	10	789,604.80	1,192,531.60
	(ii) Intangible assets		18,830.80	89,096.80
	(b)Deferred tax assets (net)	11	644,364.20	615,058.60
			1,452,799.80	**1,896,687.00**
2	**Current assets**			
	(a) Inventories	7	4,439,164.20	6,530,721.76
	(b)Trade receivables	8	34,990,096.60	12,117,401.40
	(c) Cash and cash equivalents	9	1,353,061.00	1,139,837.34
			40,782,321.80	**19,787,960.50**
	TOTAL		**42,235,121.60**	**21,684,647.50**
:companying notes forming part of financial state				

Ensure Technical Services Tanzania Limited

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note. No	31st March,2016		31st March,2015
		2015-16		2014-15
Income				
Revenue from operations	12	19,203,680.00		13,033,228.48
Total Revenue		**24,012,390.00**		**13,033,228.48**
Expenses:				
Purchases of trading stock		13,351,070.50		4,339,180.88
Changes in inventories of trading stock		2,091.50		(1,335.45)
Employee benefits	13	2,754,772.00		2,073,671.97
Finance costs	14	-		3,501,374.96
Depreciation & Amortisation	10	582,768.00		526,237.48
Other expenses	15	7,296,722.00		4,760,923.00
Total expenses		**23,987,424.00**		**15,200,052.83**
Profit before tax		**24,966.00**		**(2,166,824.36)**
Tax expense:				
Current tax		-		(649,806.98)
Deferred tax	-	7,524.00	-	-
Profit after Tax		**17,442.00**		**(1,517,017.37)**
Profit for the Year		**17,442.00**		**(1,517,017.37)**
See accompanying notes forming part of financial statements				

Ensure Technical Services Tanzania Limited
Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**24,966.00**		**(2,166,824.36)**	
Adjustments for:				
- Depreciation	582,768.00		526,237.48	
- Finance cost	-		3,501,374.96	
Operating Profit before working capital changes	**607,734.00**		**1,860,788.08**	
Increase in Trade receivables	(22,872,695.20)		(2,613,379.90)	
Increase in Loans & advances and Other current assets	(29,305.60)		(612,102.10)	
Increase in inventories	2,091,557.56		(1,335,508.16)	
Increase in Trade Payables, Other Current Liabilities & Provisions	20,589,617.00		6,105,621.10	
Cash generated from operations	**386,907.76**		**3,405,419.02**	
Direct taxes paid	-7,524.00		649,806.98	
Net Cash (used in) / generated from operating activities		**379,383.76**		**4,055,226.01**
Cash flow from investing activities:				
Purchase of fixed assets	-		(103,877.29)	
Net Cash used in investing activities		**-**		**(103,877.29)**
Cash flow from financing activities:				
Finance cost paid	-		(3,501,374.96)	
Net Cash generated from financing activities		**-**		**(3,501,374.96)**
Net (decrease) / increase in cash and cash equivalents		**379,383.76**		**449,973.76**
Cash and cash equivalents at the beginning of the year		**1,139,837.34**		**531,700.97**
Currency Translation Adjustment		(166,160.09)		158,162.61
Cash and cash equivalents at the end of the year		**1,353,061.00**		**1,139,837.34**

ENSURE TECHNICAL SERVICES TANZANIA LIMITED

REPORTS AND FINANCIAL STATEMENTS

31 MARCH 2016

CORPORATE INFORMATION

DIRECTORS	Raj Shankar Sriram Ganeshan	Singaporean Indian
SECRETARY	Livingstone Registrars (Tanzania) Limited P.O. Box 1559 Dar es Salaam	
REGISTERED OFFICE	Plot No 598, Shop No 11A Swiss Tower, United Nations Road Upanga P.O. Box 1559 Dar es Salaam	
AUDITORS	Deloitte & Touche Certified Public Accountants (Tanzania) 10th Floor, PPF Tower Cnr of Ohio Street & Garden Avenue P.O. Box 1559 Dar es Salaam	
BANKERS	Barclays Bank Tanzania Barclays House, Ohio street P.O. Box 5137 Dar es Salaam	

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report together with the audited financial statements for the 12 months period ended 31 March 2016 which disclose the state of affairs of the company.

INCORPORATION
The company was registered in Tanzania on 13 August 2009 under the Companies Act 2002 vide certificate of incorporation number 72431.

ACTIVITIES
The company's principal activity is importation and distribution of information technology equipment and after sale services of information technology equipment.

RESULTS
The results for the year are set out in the financial statements.

DIVIDENDS
The directors do not recommend the payment of a dividend in respect of the year 2016

SOLVENCY
The state of affairs of the company is the financial statements. The directors consider the company to be solvent within the meaning ascribed by the Tanzanian Companies Act 2002.

DIRECTORS
The current members of the board are shown in the financial statements.

DIRECTORS' INTEREST IN THE SHARES OF THE COMPANY
The directors do not hold any direct beneficial interest in the issued share capital of the company

RELATED PARTY TRANSACTIONS
Details of transactions and balances with related parties are included in notes to the financial statements.

EMPLOYEE MATTERS
Management/employee relationships remained cordial throughout the year. The company provides training to its employees as and when required.

AUDITORS
Deloitte & Touche, having expressed their willingness continue in office in accordance with section 170(2) of the Companies act, 2002.

BY ORDER OF THE BOARD

Raj Shankar
Director

Dar-es-Salaam

May,24, 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act 2002 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002 and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Companies Act 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.

Sd	**Sd:-**
Raj Shankar	Sriram Ganeshan
Director	**Director**

May,24, 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENSURE TECHNICAL SERVICES TANZANIA LIMITED

Report on the financial statements

We have audited the accompanying financial statements of ENSURE TECHNICAL SERVICES TANZANIA LIMITED set which comprise the statement of financial position as at 31 March 2016, statement of comprehensive income, statement of changes in equity and statement of cash flows for the 12 months period then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of the financial statements that give true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002 and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of financial affairs of the company as at 31 March 2016 and of its profit and cash flows for the 18 months period then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Companies Act 2002.

Report on other legal requirements

As required by the Tanzania Companies Act 2002 we report to you, based on our audit, that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and

ii) The company's balance sheet and income statement are in agreement with the books of account.

Certified Public Accountants (Tanzania)	…………………	…………………
Dar es Salaam	Raj Shankar	Sriram Ganeshan
Signed by: D. C. Nchimbi	**Director**	**Director**
May,24,.2016		

1. GENERAL INFORMATION

ENSURE TECHNICAL SERVICES TANZANIA LIMITED is a 99% owned subsidiary of Redington Gulf FZE incorporated in Tanzania. The addresses of its registered office and principal place of business are disclosed in the corporate information page of this report. The principal activities of the company are described in the directors' report.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are stated below:

Basis of preparation

The financial statements areprepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act o fUnited Republic of Tanzania.The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.The historical cost convention is generally based on the fair value of the consideration given in exchange of assets.

Revenue recognition

Revenue is recognised upon the delivery and acceptance of products by customers and represents the value of goods invoiced to customers during the year net of value added tax, sales returns and trade discounts.

Taxation

The income tax expense represents the sum of the current tax payable and the deferred taxation. Current taxation is provided on the basis of the results for the year, as shown in the financial statements, adjusted in accordance with tax legislation.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated to write off the cost of the equipment in equal annual instalments over their estimated useful lives. The annual rates in use are:

Motor vehicles	30%
Furniture and fittings	20%
Computers	20%
Office equipment	12.5%

Intangible assets

Intangible assets represent computer software and are stated at cost less the amortised value.
Amortisation is calculated to write off the cost of computer software on a straight line basis over its estimated useful life of eight years. The annual rate in use is 12.5%.

Inventories

Inventories are stated at the lower of purchase cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods comprises direct purchase cost, insurance, freight and other incidental costs. Net realisable value is the estimate of the selling price in the ordinary course of business. Specific provision is made for obsolete, slow moving and defective inventories.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the lessee.

All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease.

Assets acquired under finance leases are capitalised at the dates of the agreements. The interest element of each instalment is charged to profit or loss at the time that each instalment falls due.

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into Indian Rupee at the rates of exchange ruling at year end. Transactions during the period are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are dealt with in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the company’s statement of financial position when the company has become party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on the review of all outstanding amounts at the year end. Bad debts are written off when all reasonable steps to recover them have failed.

Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Trade payables

Trade payables are stated at their nominal value.

Accrued leave pay

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to year end.

Retirement benefits obligations

The company and its employees contribute to the National Social Security Fund, which is a defined contribution scheme. The company's contributions are charged to the profit or loss account in the year to which they relate. The company has no further obligation once the contributions have been paid.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and bank balances net of outstanding bank overdrafts.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTIES

In the process of applying the company's accounting policies, the directors have made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key areas of judgment in applying the company's accounting policies and key sources of estimation uncertainty are set out below:

Property and equipment

Critical estimates are made by the company management, in determining useful lives and depreciation rates for plant and equipment.

Impairment losses

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Classification of financial assets and liabilities

Critical judgments are made by the company in classifying its financial assets and liabilities.

Provisions and contingent liabilities

The company reviews its obligations at the end of each reporting period to determine whether provisions need to be made and if there are any contingent liabilities.

Taxation

The company is subjected to a numerous taxes and levies by various government and quasi-government regulations bodies. As a rule of thumb, the company recognises liabilities for the anticipated tax/levies payable with utmost care and diligence. However, significant judgement is usually required in the interpretation and applicability of those taxes/levies. Should it come to the attention of managements in one way or other, that the initially recorded liability was erroneous, such differences will impact on the income and liabilities in the period in which such differences are determined.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's activities expose it to a variety of financial risks, including credit risk and the effects of changes in foreign currency exchange rates and interest rates. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by the finance department under policies approved by the Board of Directors. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, and services offered. The company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees/ and stakeholders understand their roles and obligations.

The most important types of risks are:

- Credit risk
- Liquidity risk
- Market risk which is mainly due to foreign exchange risk and interest rate risk

A description of the significant risk factors is given below together with the risk management policies applicable.

Credit risk

Potential concentration of credit risk consists principally of trade and other receivables. Trade receivables comprise a large and widespread customer base and the company performs ongoing credit evaluations on the financial condition of its customers. The company did not consider there is any significant concentration of credit risk which had not been adequately provided for. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the companies' management based on prior experience and the current economic environment. The carrying amount of financial assets represents the maximum credit exposure. Portion of debt that is impaired has been fully provided for. However, management is actively following up recovery of the impaired debt. In determining the recoverability of a trade receivable, the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts already recognised.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the entity could be required to pay its liabilities earlier than expected.
The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained. The directors may from time to time at their discretion raise or borrow monies for the company as they deem fit. There are no borrowing limits in the articles of association of the company.

Market risk

(i) Interest rate risk
The company had no loan as at 31 March 2016

(ii) Foreign exchange risk
The company’s costs and expenses are principally incurred in Indian Rupee Dollars .The Company does not enter into a formal hedging transaction in respect of these transactions. Volatility in the exchange rate of INR against USD would make the company's costs and results less predictable than when exchange rates are more stable.

Capital risk management

The company’s objectives when managing capital are to safeguard the company’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may sell assets to reduce debt. The company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the company. The Board of Directors reviews the capital structure on a regular basis. As part of this review, the board considers the cost of capital and the risks associated with each class of capital. Based on the review, the Company analyses and assesses the gearing ratio to determine the level and its optimality.

4. **Share Capital:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up capital	35,800.00	33,800.00

5. **Reserves and Surplus:**

Amount in ₹

Reserves and Surplus		
Particulars	**31-Mar-16**	**31-Mar-15**
(a) Profit and Loss Account		
Opening Balance	(10,15,780.14)	501,237.23
Add: Current year profit	17,442.00	(1,517,017.38)
Closing Balance	**(9,98,338.14)**	**(1,015,780.14)**
(b) Foreign Currency Translation reserve	**31-Mar-16**	**31-Mar-15**
Opening balance	42,530.04	(8,537.66)
Movement during the year	(58,598.50)	51,067.70
Closing balance	**(16,068.46)**	**42,530.04**
Total	**(10,14,406.60)**	**(973,250.10)**

6. **Trade Payables.**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trade Payables	432,13,714.60	22,624,097.60
Total	**432,13,714.60**	**22,624,097.60**

7. **. Inventories**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trading Stocks	33,81,954.40	6,078,105.96
(b) Goods In Transist	10,57,209.80	452,615.80
Total	**44,39,164.20**	**6,530,721.76**

8 . Trade receivables

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured and Considered good	349,90,096.60	12,117,401.40
Total	**349,90,096.60**	**12,117,401.40**

9. Cash and Cash Equivalents

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	2,48,022.40	1,33,340.94
(b) Balances with banks -In current account	11,05,038.60	10,06,496.40
Total	**13,53,061.00**	**11,39,837.34**

10. Fixed Assets

a. **Tangible Assets**

Amount in ₹

Particulars	**Furniture & Fixtures**	**Computers**	**Vehicles**	**Total**
Cost				
As at 01.04.15	14,50,256.60	2,17,401.60	2,53,635.20	19,21,293.40
Additions	-	-	-	-
Translation adjustments	85,814.00	12,864.00	15,008.00	1,13,686.00
As at 31.3.16	**15,36,070.60**	**2,30,265.60**	**2,68,643.20**	**20,34,979.40**
Accumulated Depreciation				
As at 01.04.15	5,00,882.20	79,869.40	1,48,010.20	7,28,761.80
Additions	3,26,078.00	81,472.00	95,038.00	5,02,588.00
Translation adjustment	10,759.80	9.20	3,255.80	14,024.80
As at 31.3.16	**8,37,720.00**	**1,61,350.60**	**2,46,304.00**	**12,45,374.60**
Carrying Amount				
As at 01.04.15	**949,374.40**	**137,532.20**	**105,625.00**	**1,192,531.60**
As at 31.3.16	**6,98,350.60**	**68,915.00**	**22,339.20**	**7,89,604.80**

b. Intangible Assets

Amount in □

Particulars	**Software**	**Total**
Cost		
As at 01.04.15	**213,954.00**	**213,954.00**
Additions	-	-
Translation adjustment	**12,660.00**	**12,660.00**
As at 31.3.16		
Accumulated Depreciation	**Software**	**Total**
As at 01.04.15	**124,857.20**	**124,857.20**
Additions	80,180.00	80,180.00
Translation adjustment	2,746.00	2,746.00
As at 31.3.16	2,07,783.20	2,07,783.20
Carrying Amount	**Software**	**Total**
As at 01.04.15	**89,096.80**	**89,096.80**
As at 31.3.16	**18,830.80**	**18,830.80**

11. Deferred tax assets:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Net Deferred Tax Asset	6,44,364.20	615,058.60

12. Revenue from Operations:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i)Sales	91,92,732.00	4,873,695.86
(ii) Service Income	99,00,178.00	8,159,532.62
i(v) Others	1,10,770.00	-
Total	**192,03,680.00**	**13,033,228.48**

13. Employee Benefits:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i) Salaries and Bonus	27,54,772.00	2,073,671.97
Total	**27,54,772.00**	**2,073,671.97**

14. Finance Costs:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i)Foreign exchange loss,net	-	3,501,374.96
Total	**-**	**3,501,374.96**

15. Other Expenses:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Rent	24,59,056.00	18,49,776.23
Repairs and Maintenance	3,36,300.00	5,05,935.50
Utilities	3,73,464.00	1,35,155.26
Insurance	15,960.00	-
Communication	6,06,632.00	2,06,535.03
Printing and Stationery	71,060.00	72,455.85
Travel	5,80,640.00	8,08,743.55
Professional Charges	11,23,660.00	11,22,814.53
Bad Debts	10,50,434.00	-
Auditor's Remuneration	3,34,400.00	-
Bank Charges	60,572.00	44,119.15
Miscellaneous Expenses	2,84,544.00	15,387.90
Total	**72,96,722.00**	**47,60,923.00**

16. Incorporation

Ensure Technical Services Tanzania Limited is incorporated in Tanzania under the Companies Act 2002 as a private limited liability company and is domiciled in Tanzania.

17. Presentation currency

These financial statements are presented in thousands of Tanzanian Shillings (TShs '000).

Ensure Ghana Limited
Standalone Balance Sheet as at 31 March,2016

		Amount in ₹		
	Particulars	**Note.No**	**As at 31.3.2016**	**As at 31.3.2015**
A	**EQUITY AND LIABILITIES**			
	Shareholders' funds			
	(a) Share capital	1	4,455,884.80	4,199,142.40
	(b) Reserves and surplus	2	8,160,221.97	(118,166.49)
			12,616,106.77	4,080,975.91
	Current liabilities			
	(a) Trade payables	4	813,599.31	2,261,959.91
	(b)Other current liabilities	5	20,681,902.27	10,884,619.98
	(c) Short-term provisions	6	-	900,437.20
			21,495,501.58	14,047,017.08
	TOTAL		**34,111,608.35**	**18,127,993.00**
B	**ASSETS**			
	Non-current assets			
	Fixed assets-(i) Tangible assets	3	184,988.84	322,448.21
	(ii) Intangible assets		4,125.17	19,535.85
			189,114.02	**341,984.06**
	Current assets			
	(a) Inventories	7	5,803,702.92	9,668,328.54
	(b)Trade receivables	8	1,130,193.41	8,020,854.07
	(c) Cash and cash equivalents	9	126,592.38	96,826.32
	(d) Short-term loans and advar	10	26,862,005.62	-
			33,922,494.33	**17,786,008.93**
	TOTAL		**34,111,608.35**	**18,127,992.99**
	See accompanying notes forming part of financial statements			

Ensure Ghana Limited

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note. No	31st March,2016	31st March,2015
		2015-16	**2014-15**
Income			
Revenue from operations	11	28,991,916.53	32,166,023.62
Other income	12	3,542,836.90	-
Total Revenue		**32,534,753.43**	**32,166,023.62**
Expenses:			
Purchases of trading stock		12,406,609.00	30,189,435.93
Changes in inventories of trading stock		7,678,887.57	(7,505,443.25)
Employee benefits	13	2,159,046.73	1,418,088.59
Finance costs	14	-	56,705.40
Depreciation & Amortisation	3	169,472.79	188,734.47
Other expenses	15	2,974,753.37	3,571,608.40
Total expenses		**25,388,769.45**	**27,919,129.54**
Profit Before Tax		7,145,983.98	4,246,894.08
Tax Expense		-	1,037,614.27
Profit for the Year		**7,145,983.98**	**3,209,279.81**
Earnings per equity share:			
Basic			
Diluted			
See accompanying notes forming part of financial statements			

Ensure Ghana Limited

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016	
Cash flow from operating activities:		
Net Profit before taxation	**7,145,983.98**	
Adjustments for:		
- Depreciation	169,472.79	
- Finance cost	-	
Operating Profit before working capital changes	**7,315,456.77**	
Increase in Trade receivables	6,890,660.67	
Increase in Loans & advances and Other current assets	(28,707,438.16)	
Increase in inventories	3,864,625.62	
Increase in Trade Payables, Other Current Liabilities & Provisions	9,293,917.03	
Cash generated from operations	**(1,342,778.07)**	
Direct taxes paid	-	
Net Cash (used in) / generated from operating activities		**(1,342,778.07)**
Cash flow from financing activities:		
Finance cost paid	-	
Net Cash generated from financing activities		**-**
Net (decrease) / increase in cash and cash equivalents		**(1,342,778.07)**
Cash and cash equivalents at the beginning of the year		**96,826.32**
Currency Translation Adjustment		1,372,544.14
Cash and cash equivalents at the end of the year		**126,592.39**

ENSURE GHANA LTD.

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 MARCH 2016

Ensure Ghana Limited
Notes to Accounts for the year ended 31-03-16

1. Share Capital:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up capital	**44,55,884.80**	**4,199,142.40**

2. Reserves and Surplus:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Profit and Loss Account		
Opening Balance	(8,98,382.22)	(4,107,662.03)
Add: Current year profit	71,45,983.98	3,209,279.80
Closing Balance	**62,47,601.76**	**(898,382.22)**
(b) Foreign Currency Translation reserve	**31-Mar-15**	**31-Mar-15**
Opening balance	7,80,215.73	159,578.40
Movement during the year	11,32,404.48	620,637.33
Closing balance	**19,12,620.21**	**780,215.73**
Total	**81,60,221.97**	**(118,166.49)**

3. Fixed Assets :

a. Tangible Assets:

Amount in ₹

Particulars	**Furniture & Fixtures**	**Special costs**	**Computers**	**Vehicles**	**Total**
Cost					
As at 01.04.15	1,15,624.04	2,27,901.89	17,469.09	2,20,733.83	5,81,728.85
Additions	-	-	-	-	-
Translation adjustments	7,069.44	13,934.29	1,068.09	13,496.03	35,567.85
As at 31.03.16	**1,22,693.48**	**2,41,836.19**	**18,537.18**	**2,34,229.85**	**6,17,296.70**
Accumulated Depreciation					
As at 01.04.15	**41,958.62**	**83,425.15**	**6,019.86**	**127,877.01**	**259,280.64**
Additions	23,933.96	47,171.96	6,025.93	76,147.33	1,53,279.18

Translation adjustment	3,173.64	6,299.50	521.20	9,753.70	19,748.03
As at 31.03.16	**69,066.21**	**1,36,896.62**	**12,566.99**	**2,13,778.04**	**4,32,307.85**
Carrying Amount					
As at 01.04.15	**73,665.42**	**1,44,476.74**	**11,449.22**	**92,856.82**	**3,22,448.21**
As at 31.03.16	**53,627.27**	**1,04,939.57**	**5,970.19**	**20,451.82**	**1,84,988.84**

Notes to the financial statements for the year ended 31 March 2016 – continued

b. Intangible Assets:

Amount in ₹

Particulars	**Non competition agreement**	**Total**
Cost		
As at 01.04.15	**46,977.91**	**46,977.91**
Translation adjustment	2,872.31	2,872.31
As at 31.03.16	**49,850.21**	**49,850.21**
Accumulated Depreciation	**Non competition agreement**	**Total**
As at 01.04.15	**27,442.05**	**27,442.05**
Additions	16,193.61	16,193.61
Translation adjustment	2,089.37	2,089.37
As at 31.03.16	**45,725.04**	**45,725.04**
Carrying Amount	**Non competition agreement**	**Total**
As at 01.04.15	**19,535.85**	**19,535.85**
As at 31.03.16	**4,125.17**	**4,125.17**

4. Trade Payables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Expense Payable	4,27,834.56	492,087.00
(b) Other Payables	3,85,764.75	1,769,872.91
Total	**8,13,599.31**	**2,261,959.91**

5. Other Current Liabilities:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Due to related parties	206,81,902.27	10,884,619.98
Total	**206,81,902.27**	**10,884,619.98**

6. Short-term Provisions:

Particulars	**31-Mar-16**	**31-Mar-15**
Provision for taxation	--	900,437.20
Total	**--**	**900,437.20**

7. Inventories:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Trading Stocks	**58,03,702.92**	**9,668,328.54**

8. Trade Receivables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Unsecured, considered good	**11,30,193.41**	**8,020,854.07**

9. Cash and Cash Equivalents:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	44,506.63	96,826.32
(b) Cash at bank	82,085.75	-
Total	**1,26,592.38**	**96,826.32**

10. Short term Loans and advances

Particulars	**31-Mar-15**	**31-Mar-14**
(a) Loans and advances to related parties*	193,55,928.43	-
(b) Security deposits - Unsecured, considered good	38,066.48	-

(c) Prepaid expenses - Unsecured, considered good	6,18,166.99	-
(d) Other Advances	68,49,843.72	
Total	**268,62,005.62**	**-**

11. Revenue from operations:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i)Sales	289,91,916.53	32,166,023.62
Total	**289,91,916.53**	**32,166,023.62**

12.Other income:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Exchange gain	35,42,836.90	--
Total	**35,42,836.90**	**--**

13. Employee benefits:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Salaries and Bonus	21,59,046.73	1,418,088.59
Total	**21,59,046.73**	**1,418,088.59**

14. Finance Costs:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Interest expenses	--	56,705.40
Total	**--**	**56,705.40**

15. Other Expenses:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	3,85,421.60	756,071.97
Repairs and Maintenance	6,93,609.50	661,562.98
Utilities	35,646.32	
Insurance	25,546.53	
Communication	5,03,631.59	255,041.98
Printing and Stationery	77,318.57	94,509.00
Advertisement	2,04,966.34	
Travel	3,96,913.29	27,218.59
Professional Charges	1,53,958.16	378,470.73
Auditor's Remuneration	4,07,386.52	
Exchange Gain/(Loss) Net	-	567,053.98
Electricity charges	-	75,607.20
Bank Charges	60,632.69	
Miscellaneous Expenses	29,722.24	756,071.97
Total	**29,74,753.37**	**3,571,608.40**

Proconnect Supply Chain Logistics L.L.C
Standalone Balance Sheet as at 31 March,2016

			Amount in ₹
	Particulars	**Note.No**	**As at 31st March,2016**
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	6	5,411,250.00
	(b) Reserves and surplus	7	(31,955,758.09)
			(26,544,508.09)
	(a) Long-term provisions	8	1,342,783.65
			1,342,783.65
2	**Current liabilities**		
	(b) Trade payables	9	22,649,346.04
	(a)Other current liabilities		84,713,208.94
			107,362,554.98
	TOTAL		**82,160,830.54**
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets		
	(i) Tangible assets	14	1,492,080.04
	(ii) Intangible assets		-
			1,492,080.04
1	**Current assets**		
	(b)Trade receivables	11	30,286,026.71
	(a) Cash and cash equivalents	12	31,373,218.99
	(b) Short-term loans and advances	13	19,009,504.80
			80,668,750.50
	TOTAL		**82,160,830.54**

Proconnect Supply Chain Logistics L.L.C
Stand alone statement of Profit and Loss account for the year ended March 31, 2015

Particulars	Note.No	31st March,2016 ₹	31st March,2015 ₹
		2015-16	**2014-15**
Income			
Revenue from operations	15	235,623,769.55	-
Other income		-	-
Total Revenue		**235,623,769.55**	**-**
Expenses:			
Purchases of trading stock		212,118,846.31	-
Changes in inventories of trading stock		-	-
Employee benefits	15	34,334,117.63	-
Depreciation & Amortisation	14	257,009.62	-
Other expenses	17	13,168,133.30	6,707,076.69
Total expenses		**259,878,106.86**	**6,707,076.69**
Profit before tax		**(24,254,337.31)**	**(6,707,076.69)**
Profit before extraordinary items and tax		**(24,254,337.31)**	**(6,707,076.69)**
Extraordinary Items			
Profit before tax		**(24,254,337.31)**	**(6,707,076.69)**
Tax expense:			
Current tax			
Prior year tax provisions written back			
Deferred tax	-	-	-
Profit after Tax		**(24,254,337.31)**	**(6,707,076.69)**
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations			
Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
Share of Loss of Associate		(24,254,337.31)	(6,707,076.69)
Profit before Minority Interest			
Profit for the Year		**(24,254,337.31)**	**(6,707,076.69)**
See accompanying notes forming part of Profit and loss statement			

Proconnect Supply Chain Logistics L.L.C

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	**Year Ended March 31, 2016**	
Cash flow from operating activities:		
Net Profit before taxation	(24,254,337.31)	
Adjustments for:		
- Depreciation	257,009.62	
Operating Profit before working capital changes	**(23,997,327.68)**	
Increase in Trade receivables	(30,286,026.71)	
(Increase)/Decrease in Loans & advances and Other current assets	(7,795,247.08)	
Increase in Trade Payables, Other Current Liabilities & Provisions	90,636,418.01	
Cash generated from operations	**28,557,816.53**	
Interest Paid by Financial Services Subsidiary	-	
Direct taxes paid	-	
Net Cash (used in) / generated from operating activities		**28,557,816.53**
Cash flow from investing activities:		
Purchase of fixed assets	(1,729,825.21)	
Net Cash used in investing activities		**(1,729,825.21)**
Cash flow from financing activities:		
Net Cash generated from financing activities		**-**
Net (decrease) / increase in cash and cash equivalents		**26,827,991.32**
Cash and cash equivalents at the beginning of the year		**-**
Currency Translation Adjustment		4,545,227.67
Cash and cash equivalents at the end of the year		**31,373,218.99**

Proconnect Supply Chain Logistics L.L.C.
Dubai - United Arab Emirates

Report and financial statements
for the period from 01 April 2015
(date of incorporation) to 31 March 2016

Proconnect Supply Chain Logistics L.L.C.
Notes to the financial statements
for the period from 01 April 2015 (date of incorporation) to 31 March 2016

1. Establishment and operations

Proconnect Supply Chain Logistics L.L.C. (the "Company") is a limited liability company registered on 4 April 2013 in the Emirate of Dubai in accordance with the provisions of the U.A.E. Commercial Companies Law No. 8 of 1984, as amended. The Company was formerly known as Ensure Supply Chain Logistics (L.L.C.) and has changed its name to Proconnect Supply Chain Logistics L.L.C. on 4 March 2015.

The principal activities of the Company are cargo transport by light trucks, customs broker, cargo and containers loading and unloading services, air and sea cargo services and general warehousing.

The Company has not yet commenced revenue generating activities as at 31 March 2016.

The Parent Company of the Company is Redington Gulf FZE. The ultimate controlling party is Redington (India) Limited.

The registered address of the Company is P.O. Box 12816, Dubai, United Arab Emirates.

2. Application of new and revised International Financial Reporting Standards ("IFRSs")

The Establishment has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRSs	***Effective for annual periods beginning on or after***
• Amendments to IFRS 7 Financial Instruments: Disclosures relating to disclosures about the initial application of IFRS 9.	*When IFRS 9 is first applied*
• IFRS 7 Financial Instruments: Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	*When IFRS 9 is first applied*
• IFRS 9 *Financial Instruments* (2009) issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 *Financial Instruments* (2010) revised in October 2010 includes the requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39	1 January 2018

New and revised IFRSs	***Effective for annual periods beginning on or after***

Financial Instruments: Recognition and Measurement.

- IFRS 9 *Financial Instruments* (2013) was revised in November 2013 to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the own credit gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9.

- Finalised version of IFRS 9 (IFRS 9 Financial Instruments (2014)) was issued in July 2014 incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition.

- IFRS 9 (2009) and IFRS 9 (2010) were superseded by IFRS 9 (2013) and IFRS 9 (2010) also superseded IFRS 9 (2009). IFRS 9 (2014) supersedes all previous versions of the standard. The various standards also permit various transitional options. Accordingly, entities can effectively choose which parts of IFRS 9 they apply, meaning they can choose to apply: (1) the classification and measurement requirements for financial assets: (2) the classification and measurement requirements for both financial assets and financial liabilities: (3) the classification and measurement requirements and the hedge accounting requirements provided that the relevant date of the initial application is before 1 February 2015.

- IFRS 15 *Revenue from Contracts with Customers*

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.	1 January 2017

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price .
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognizes when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

• Annual Improvements to IFRSs 2012 - 2014 Cycle that include amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.	1 January 2016
• Amendments to IAS 16 and IAS 38 to clarify the acceptable methods of depreciation and amortization.	1 January 2016
• Amendments to IFRS 11 to clarify accounting for acquisitions of Interests in Joint Operations.	1 January 2016
• Amendments to IAS 16 and IAS 41 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.	1 January 2016
• Amendments to IFRS 10 and IAS 28 clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business.	1 January 2016

• Amendments to IAS 27 allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements.	1 January 2016
• Amendments to IFRS 10, IFRS 12 and IAS 28 clarifying certain aspects of applying the consolidation exception for investment entities.	1 January 2016
• Amendments to IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports.	1 January 2016
• Annual Improvements to IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 38 and IAS 24.	1 July 2014
• Annual Improvements to IFRSs 2011 - 2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.	1 July 2014
• Amendments to IAS 19 *Employee Benefits* clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.	

Management anticipates that these new standards, interpretations and amendments will be adopted in the Establishment's financial statements for the period beginning 1 April 2015 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, may have no material impact on the financial statements of the Establishment in the period of initial application.

IFRS 9 will be adopted in the Establishment's financial statements for the annual period beginning 1 April 2018. The application of IFRS 9 may have impact on amounts reported and disclosures made in the Establishment's financial statements in respect of the Establishment's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards as the management is yet to perform a detailed review.

3. Significant accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies are set out below.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivables for services provided in the normal course of business, net of discounts.

Transport Service Revenue
Revenue from transportation services is recognized when the services are rendered based on the pre-determined rates.

Storage Revenue
Revenue from storage services is recognized when the services are rendered based on the pre-determined rates.

Foreign currency transactions

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in Arab Emirates Dirhams ("AED"), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in equity.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the year in which they are incurred.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets of the Company are classified as loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset/financial liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset/financial liability, or, where appropriate, a shorter period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including other receivables, bank balances and cash and amounts due from related parties are measured at amortized cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received

Financial liabilities and equity instruments
Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement .

. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. All of the financial liabilities held by the Company are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities, including amounts due to related parties are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4. Critical accounting judgment and key sources of estimation uncertainty

Critical accounting judgment in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 3 to the financial statements, management has made no critical judgment that has a significant effect on the amounts recognized in the financial statements.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a risk of causing an adjustment to the carrying amounts of assets and liabilities within the financial year.

5. Related party transactions

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 *Related Party Disclosures*. Related parties comprise the shareholders, companies and entities under common ownership and/or common management and control and key management personnel. The shareholders and management decide on the terms and conditions of the transactions, and of the services received from/rendered to related parties as well as on other charges.

Proconnect Supply Chain Logistics L.L.C.
Notes to the financial statements
for the period from 01 April 2015 (date of incorporation) to 31 March 2016

a) As at 31 March 2015, due to a related party was as follows:

2016

	INR
Due to a related party	
Parent Company	
Redington Gulf FZE	847,13,208.94

2015

	INR
Due to a related party	
Parent Company	
Redington Gulf FZE	19,922,472.16

The amount due to a related party is current, unsecured, interest free and has no fixed repayment period.

6. Share Capital:

Amount in

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up	54,11,250.00	51,04,500.00

7. Reserves and Surplus:

(a) Profit and Loss Account	**31-Mar-16**	**31-Mar-15**
Opening Balance	(67,07,076.69)	-
Add: Current year profit	(242,54,337.31)	(6,707,076.69)
Closing Balance	**(309,61,414.00)**	**(6,707,076.69)**
(b) Foreign Currency Translation reserve		
Particulars	**31-Mar-16**	**31-Mar-15**
Opening balance	(1,47,586.21)	-
Movement during the year	(8,46,757.88)	(147,586.21)
Closing balance	**(9,94,344.09)**	**(147,586.21)**
Total	**(319,55,758.09)**	- **(6,854,662.90)**

Proconnect Supply Chain Logistics L.L.C.
Notes to the financial statements
for the period from 01 April 2015 (date of incorporation) to 31 March 2016

8. Long Term Provisions

Particulars	31-Mar-16	31-Mar-15
Provision for Gratuity	13,42,783.65	-
Total	**13,42,783.65**	**-**

9. Trade Payables

Particulars	31-Mar-16	31-Mar-15
a) Trade Payables	94,06,267.65	-
(b) Expense Payable	150,96,629.93	-
Total	**245,02,897.58**	**-**

10. Other Current Liabilities:

Amount in □

Particulars	31-Mar-16	31-Mar-15
Due to related parties	847,13,208.94	199,22,472.16

11. Trade Receivables.

Unsecured, considered good	302,86,026.71	-
Total	**302,86,026.71**	**-**

12. Cash and Cash Equivalents:

Amount in □

Particulars	31-Mar-16	31-Mar-15
(a) Cash on hand	9,93,036.53	-
(a) Balances with banks -In current account	303,80,182.46	51,04,500.00
Total	**313,73,218.99**	**51,04,500.00**

13. Short-Term Loans and Advances:

Particulars	31-Mar-16	31-Mar-15
(a)Loans and advances to related Parties	13,32,574.43	-
(b) Security deposits	110,80,580.55	95,85,910.70
(c) Loans and advances to employees	1,72,871.40	-
(d) Prepaid expenses	55,43,591.14	31,24,379.38
(e)Others	27,33,438.83	3,57,519.18
Total	**208,63,056.34**	**130,67,809.26**

14**. Fixed Assets- tangible**

Particulars	Furniture & Fixtures	Computers	Vehicles	Total
Cost				
As at 01.04.15	-	-	-	-
Additions	4,66,480.92	1,95,067.37	10,68,276.92	17,29,825.21
Disposals	-	-	-	-
Translation adjustments	6,101.58	2,551.48	13,973.08	22,626.14
As at 31.03.16	**4,72,582.50**	**1,97,618.85**	**10,82,250.00**	**17,52,451.35**
Accumulated Depreciation				
As at 01.04.15	-	-	-	-
Additions	59,378.39	58,559.38	1,39,071.85	2,57,009.62
Disposals	-	-	-	-
Translation adjustment	776.67	765.96	1,819.06	3,361.69
As at 31.03.16	**60,155.06**	**59,325.34**	**1,40,890.91**	2,60,371.31
Carrying Amount				
As at 01.04.15	**-**	**-**	**-**	**-**
As at 31.03.16	**4,12,427.44**	**1,38,293.51**	**9,41,359.09**	**14,92,080.04**

15. Revenue From Operations

Particulars	31-Mar-16	31-Mar-15
(i)Sales	2356,23,769.55	-
Total	**2356,23,769.55**	**-**

16. Employee Benefits Expense

Particulars	31-Mar-16	31-Mar-15
(i)Salaries and Bonus	343,34,117.63	-
Total	**343,34,117.63**	**-**

17. Other Expenses

Amount in □

Particulars	31-Mar-16	31-Mar-15
Rent	54,21,523.19	21,12,297.96
Repairs and Maintenance	5,36,933.79	-
Utilities	3,09,889.33	-
Printing and Stationery	4,04,556.47	-
Advertisement	8,15,896.50	-
Professional Charges	22,49,488.52	2,91,351.44
Bank Charges	90,785.73	-
Miscellaneous Expenses	33,39,059.76	43,03,427.29
Total	**131,68,133.30**	**67,07,076.69**

Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and the methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized,

in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

(b) Categories of financial instruments

2016

	INR
Financial assets	
Loans and receivables (including cash and cash equivalents)	313,73,218.99

	2015 INR
Financial assets	
Loans and receivables (including cash and cash equivalents)	5,104,500.00

	2016 INR
Financial liabilities	
At amortized cost	1092,16,106.51

	2015 ***INR***
Financial liabilities	
At amortized cost	19,922,472.15

12. Financial risk management

The Company's overall financial risk management program seeks to minimise potential adverse effects of financial performance of the Company. The management provides guidelines covering specific areas, such as market risk (including foreign exchange risk) and liquidity risk.

(a) Interest rate risk management

At the reporting date, the Company is not exposed to any significant interest rate risk, as the amounts due from related parties are interest-free.

(b) Credit risk management

Financial assets, which potentially expose the Company to concentrations of credit risk, comprise principally of bank accounts, amounts due from a related party, and guarantee deposits.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings which are registered in the U.A.E.

(c) Foreign currency risk management

The Company is not exposed to significant exchange rate risks as substantially all of its financial assets and financial liabilities are denominated in U.S. Dollars or U.A.E. Dirhams to which the Dollar is fixed.

(d) Liquidity risk management

Proconnect Supply Chain Logistics L.L.C.
Notes to the financial statements
for the period from 01 April 2015 (date of incorporation) to 31 March 2016

Ultimate responsibility for liquidity risk management rests with the management which has a liquidity risk management framework for the management of the Company's short, medium and long-term funding. The Company manages liquidity risk by obtaining related party advances when required for working capital requirements.

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted financial liabilities based on the earliest date on which the Company can be required to pay.

	Less than 1 year	**Total**
	INR	**INR**
2016		
Non-interest bearing		
Instruments	847,13,208.94	847,13,208.94
2015		
Non-interest bearing		
Instruments	19,922,472.15	19,922,472.15

The following table details the Company's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets except where the Company anticipates that the cash flow will occur in a different period:

	Less than 1 year	**Total**
	INR	**INR**

2016

Non-interest bearing Instruments	313,73,218.99	313,73,218.99

2015

Non-interest bearing Instruments	5,104,500.00	5,104,500.00

13. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the shareholders.
The shareholders have committed to provide sufficient financial support to enable the Company to well manage its capital risk.

14. Comparative amounts

These are the first set of financial statements of the Company since its incorporation. Hence, no comparative amounts are presented.

15. Approval of financial statements

The financial statements were approved by the management and authorised for issue on May,24, 2016.

Ensure Technical Services Morocco Limited (Sarlau)
Standalone Balance Sheet as at 31 March,2016

			Amount in ₹	
	Particulars	**Note.No**	**As at 31.3.2016**	**As at 31.3.2015**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	1	688,010.00	627,620.00
	(b) Reserves and surplus	2	(3,704,681.90)	(3,492,211.42)
			(3,016,671.90)	**(2,864,591.42)**
2	**Non-current liabilities**			
	Other Long term liabilities	3	10,525,938.61	10,757,348.31
			10,525,938.61	**10,757,348.31**
3	**Current liabilities**			
	Other current liabilities	4	23,038,803.65	13,686,882.96
			23,038,803.65	**13,686,882.96**
	TOTAL		**30,548,069.60**	**21,579,639.85**
B	**ASSETS**			
1	**Non-current assets**			
	Fixed assets-Tangible assets	6	1,409,792.42	1,749,531.73
	(c)Deferred tax assets (net)	5	28,981.05	15,489.29
	(d) Long-term loans and advances		338,363.32	752,077.05
			1,777,136.78	**2,517,098.06**
2	**Current assets**			
	(a) Inventories	7	2,496,985.47	6,700,081.87
	(b)Trade receivables	8	10,938,102.28	11,198,736.13
	(c) Cash and cash equivalents	9	611,491.25	611,597.68
	(d) Short-term loans and advances	10	14,724,353.82	552,126.10
			28,770,932.82	**19,062,541.78**
	TOTAL		**30,548,069.60**	**21,579,639.85**
:ompanying notes forming part of financial statements				

Ensure Technical Services Morocco Limited (Sarlau)

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note. No	31st March,2016 2015-16	31st March,2015 2014-15
Income			
Revenue from operations	11	37,631,308.33	28,319,336.55
Other income	12	2,693,405.46	87,069.24
Total Revenue		**40,324,713.79**	**28,406,405.79**
Expenses:			
Purchases of trading stock		21,111,249.06	17,199,772.42
Changes in inventories of trading stock		4,203,096.40	(2,190,485.32)
Employee benefits	13	6,025,745.35	5,123,813.02
Depreciation & Amortisation	6	605,003.67	631,020.66
Other expenses	15	8,259,902.76	9,671,823.10
Total expenses		**40,204,997.25**	**30,435,943.88**
Profit before tax		**119,716.54**	**(2,029,538.09)**
Exceptional items			-
Profit before extraordinary items and tax		**119,716.54**	**(2,029,538.09)**
Extraordinary Items			-
Profit before tax		**119,716.54**	**(2,029,538.09)**
Tax expense:			
Current tax			
Profit after Tax		119,716.54	(2,029,538.09)
Profit for the Year		**119,716.54**	(2,029,538.09)
See accompanying notes forming part of financial statements			

Ensure Technical Services Morocco Limited (Sarlau)
Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Cash flow from operating activities:				
Net Profit before taxation	**119,716.54**		**(2,029,538.09)**	
Adjustments for:				
- Depreciation	605,003.67		631,020.66	
- Finance cost	-		-	
Operating Profit before working capital changes	**724,720.21**		**(1,398,517.43)**	
Increase in Trade receivables	260,633.85		(2,877,312.79)	
Increase in Loans & advances and Other current assets	(14,172,227.72)		(898,585.95)	
Increase in inventories	4,203,096.40		(2,190,485.32)	
Increase in Trade Payables, Other Current Liabilities & Provisions			5,420,499.26	
Cash generated from operations	(8,983,777.26)		**(1,944,402.23)**	
Net Cash (used in) / generated from operating activities		**(8,983,777.26)**		**(1,944,402.23)**
Cash flow from investing activities:	-			
Purchase of fixed assets	-112,697.18		(92,367.15)	
Proceeds from redemption of investments				
Net Cash used in investing activities		**(112,697.18)**		**(92,367.15)**
Cash flow from financing activities:				
Net Cash generated from financing activities		-		-
Net (decrease) / increase in cash and cash equivalents		**(9,096,474.44)**		**(2,036,769.38)**
Cash and cash equivalents at the beginning of the year		**611,597.68**		**1,947,678.24**
Currency Translation Adjustment		(424,364.19)		700,688.82
Cash and cash equivalents at the end of the year		**(8,909,240.96)**		**611,597.68**

ENSURE TECHNICA SERVICES MOROCCO LTD.

FINANCIAL STATEMENTS

31 MARCH 2016

ENSURE TECHNICA SERVICES MOROCCO LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. **Share Capital:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Issued, Subscribed and Paid up capital	**6,88,010.00**	**627,620.00**

2. **Reserves and Surplus:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Profit and Loss Account		
Opening Balance	(34,12,714.33)	(1,383,176.24)
Add: Current year profit	1,19,716.54	(2,029,538.09)
Closing Balance	**(32,92,997.79)**	**(3,412,714.33)**
(b) Foreign Currency Translation reserve		
Opening balance	(79,497.09)	(567,283.08)
Movement during the year	(3,32,187.02)	487,785.99
Closing balance	**(4,11,684.11)**	**(79,497.09)**
Total	**(37,04,681.90)**	**(3,492,211.42)**

3. **Other Long term Liablities**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Trade payables	91,26,870.27	9,710,143.44
Others	13,99,068.34	1,047,204.87
Total	**105,25,938.61**	**10,757,348.31**

4. **Other Current Liabilities:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	43,21,840.49	2,048,701.81
(ii) Others	187,16,963.16	11,638,181.16
Total	**230,38,803.65**	**13,686,882.96**

5. **Deferred Tax Assets:**

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Net Deferred Tax Asset	**28,981.05**	**15,489.29**

6. **Fixed Assets:**

Amount in ₹

Particulars	Plant and Machinery	Furniture & Fixtures	Computers	Vehicles	Total
Cost					
As at 01.04.15	**187,493.76**	**1,862,852.48**	**411,866.21**	**128,218.50**	**2,590,430.94**
Additions	43,343.78	45,332.20	24,021.20	-	1,12,697.18
Translation adjustments	19,429.54	1,80,697.34	40,399.69	12,337.27	2,52,863.84
As at 31.03.16	**2,50,267.08**	**20,88,882.02**	**4,76,287.10**	**1,40,555.76**	**29,55,991.96**
Accumulated Depreciation					
As at 01.04.15	**46,617.92**	**558,345.38**	**171,891.62**	**64,044.29**	**840,899.21**
Additions	1,32,254.16	3,96,804.81	30,551.90	45,392.80	6,05,003.67
Translation adjustment	8,723.14	66,438.30	17,518.43	7,616.80	1,00,296.67
As at 31.03.16	**1,87,595.21**	**10,21,588.48**	**2,19,961.96**	**1,17,053.89**	**15,46,199.55**
Carrying Amount					
As at 01.04.15	**1,40,875.84**	**13,04,507.10**	**2,39,974.59**	**64,174.21**	**17,49,531.73**
As at 31.03.16	**62,671.86**	**10,67,293.54**	**2,56,325.14**	**23,501.87**	**14,09,792.42**

7. **Inventories:**

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Trading Stocks	24,96,985.47	6,700,081.87
Total	**24,96,985.47**	**6,700,081.87**

8. **Trade Receivables:**

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Unsecured and Considered good	109,38,102.28	11,198,736.13
Total	**109,38,102.28**	**11,198,736.13**

9. Cash and Cash Equivalents:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	42,332.64	2,405.60
(b) Cash at banks	5,69,158.61	609,192.07
Total	**6,11,491.25**	**611,597.68**

10. Short term loans and advances to related parties:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Prepaid Taxes	21,51,466.03	410,774.03
Secured, considered good	788.25	141,352.07
Advance to suppliers	125,72,099.54	--
Total	**147,24,353.82**	**552,126.10**

11. Revenue from operations:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i)Sales	376,31,308.33	28,319,336.55
Total	**376,31,308.33**	**28,319,336.55**

12. Other income:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Exchange gain	26,93,405.46	87,069.24
Total	**26,93,405.46**	**87,069.24**

13. Employee benefits:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(i) Salaries and Bonus	60,25,745.35	5,123,813.02
Total	**60,25,745.35**	**5,123,813.02**

14. Finance Expenses:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Foreign exchange loss,net	-	-

15. Other Expenses:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	-	2,758,773.39
Freight	-	1,952,306.01
Repairs and Maintenance	-	493,673.27
Insurance	-	34,414.72
Rates and Taxes	1,40,669.82	
Communication	-	278,444.45
Advertisement	-	15,381.70
Travel	-	665,868.85
Professional Charges	-	458,653.07
Auditor's Remuneration	-	299,030.33
Exchange Gain/(Loss) Net	-	2,100,589.80
Bank Charges	-	57,238.95
Miscellaneous Expenses	81,19,232.95	557,448.57
Total	**82,59,902.76**	**9,671,823.10**

ADEO Bilişim Danışmanlık Hizmetleri San. ve Tic. A.Ş

Standalone Balance Sheet as at December 31, 2015

			Amount in ₹	
	Particulars	**Note.No**	**As at 31.12.2015**	**As at 31.12.2014**
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	4	4,103.94	11,409.34
	(b) Reserves and surplus	5	46,208.96	62,530.71
			50,312.90	73,940.05
2	**Non-current liabilities**			
	(c)Other Long term liabilities		1,360.42	1,071.60
			1,360.42	1,071.60
2	**Current liabilities**			
	(a) Short-term borrowings	6	5,736.44	14,750.19
	(b) Trade payables	8	114,388.72	8,446.69
	(c)Other current liabilities	9	37,139.49	72,490.25
			157,264.65	95,687.13
	TOTAL		**208,937.97**	**170,698.78**
B	**ASSETS**			
1	**Non-current assets**			
	Fixed assets-Tangible assets	7	6,915.47	25,150.97
	(ii) Intangible assets		4,444.04	14,750.19
	(iii)Capital work-in-progress			
	(iv)Goodwill on consolidation			
	(b) Non-current investments		-	-
	(b) Goodwill			
	(c)Deferred tax assets (net)	14	657.54	4,979.77
	(d) Long-term loans and advances	10	702.88	1,134.63
			12,719.94	**46,015.55**
2	**Current assets**			
	(a) Inventories	11	4,625.43	7,627.24
	(b)Trade receivables	12	167,445.14	104,070.79
	(c) Cash and cash equivalents	13	1,655.18	2,458.37
	(e) Other Current Assets	15	22,492.29	10,526.85
			196,218.04	**124,683.23**
	TOTAL		**208,937.97**	**170,698.78**
ccompanying notes forming part of financial state				

ADEO Bilişim Danışmanlık Hizmetleri San. ve Tic. A.Ş

Stand alone statement of Profit and Loss account for the year ended December 31, 2015

Amount in ₹		**Amount in ₹ Lakhs**	
Particulars	**Note. No**	**31st December,2015**	**31st December,2014**
		2015-16	**2014-15**
Income			
Revenue from operations	16	473,034.94	690,785.16
Other income	17	1,824.38	489.22
Total Revenue		**474,859.32**	691,274.38
Expenses:			
Purchases of trading stock		376,421.26	476,024.86
Changes in inventories of trading stock		3,001.80	13,077.45
Employee benefits	18	36,487.54	67,207.23
Finance costs	19	4,051.54	4,953.40
Depreciation & Amortisation	7	7,652.91	17,245.17
Other expenses	20	19,902.30	60,969.62
Total expenses		**447,517.35**	639,477.73
Profit before tax		**27,341.96**	51,796.66
Exceptional items		-	
Profit before extraordinary items and tax		**27,341.96**	**51,796.66**
Extraordinary Items		-	
Profit before tax		**27,341.96**	**51,796.66**
Tax expense:			
Current tax		2,558.87	10,885.25
Profit after Tax		24,783.10	40,911.41
Profit for the Year		**24,783.10**	**40,911.41**
Earnings per equity share:			
Basic			
Diluted			
See accompanying notes forming part of financial statements			

ADEO Bilişim Danışmanlık Hizmetleri San. ve Tic. A.Ş
Cash Flow Statement for the year ended December 31, 2015

Amount in ₹

Particulars	Year Ended December 31, 2015		Year Ended December 31, 2014	
Cash flow from operating activities:				
Net Profit before taxation	**27,341.96**		**51,796.66**	
Adjustments for:				
- Depreciation	7,652.91		17,245.17	
- Finance cost	4,051.54		4,953.40	
Operating Profit before working capital changes	**39,046.41**		**73,995.22**	
Increase in Trade receivables	(63,374.35)		(12,413.97)	
Increase in Loans & advances and Other current assets	(7,211.47)		10,800.18	
Increase in inventories	3,001.80		13,077.44	
Increase in Trade Payables, Other Current Liabilities & Provisions	70,880.10		(53,344.42)	
Cash generated from operations	**42,342.49**		**32,114.45**	
Interest Paid by Financial Services Subsidiary	-			
Direct taxes paid	-2,558.87		(10,885.25)	
Net Cash (used in) / generated from operating activities		**39,783.62**		**21,229.21**
Cash flow from investing activities:				
Purchase of fixed assets	-4,454.32		-34,429.18	
Proceeds from sale of fixed assets	-71.08			
Net Cash used in investing activities		**(4,525.40)**		**(34,429.18)**
Cash flow from financing activities:				
Proceeds from issue of share capital by a subsidiary			12,896.04	
(Repayment of) / Proceeds from short term borrowing	-9,013.75		-	
Finance cost paid	(4,051.54)		(4,953.40)	
Net Cash generated from financing activities		**(13,065.29)**		**7,942.64**
Net (decrease) / increase in cash and cash equivalents		**22,192.93**		**(5,257.33)**
Cash and cash equivalents at the beginning of the year		**2,458.36**		**6,798.55**
Currency Translation Adjustment		(22,996.11)		917.14
Cash and cash equivalents at the end of the year		**1,655.18**		**2,458.36**

ADEO BILISIM DANISMANLIK HIZMETLERI SANAYI NOTES ON ACCOUNTS FOR YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ORGANISATION AND PRINCIPAL ACTIVITIES

Adeo Bilişim Danışmanlık Hizmetleri Sanayi ve Ticaret A.Ş. (the "Company") was incorporated on 2008. The Company is engaged to furnish consulting, outsourcing, efficient use of resources and training services in information and communication technologies (ICTs) to producers in IT sector and its partners in Turkey and abroad. The address of its registered office is as follows:

Fetih Mahallesi, Tahralı Sokak, Tahralı Sitesi Kavakyeli Plaza C Blok D16/17
Ataşehir, Istanbul
Turkey

The Company has been transformed from Adeo Bilişim Danışmanlık Hizmetleri Sanayi ve Ticaret LTD. to Adeo Bilişim Danışmanlık Hizmetleri Sanayi ve Ticaret A.Ş. on 1 August 2013.

The Company's headquarter is located in Istanbul and has branch in Ankara.The number of employees of the Company at 31 December 2015 is 68 (31 December 2014: 63).

Negotiations between Arena Bilgisayar San. Ve Tic. A.Ş. shareholders and the Company were finalized on 29 August 2013 and with the agreement signed that day, Arena Bilgisayar San. Ve Tic. A.Ş. acquired 47,78 % shares of the Company in return for 1.090.000 US Dollars. As required by the signed agreements, the Company made a capital increase on its extraordinary general assembly meeting dated 3 October 2013. Only Arena Bilgisayar San. Ve Tic. A.Ş participated to the capital increase and acquired additional shares with a nominal value of TL 11.175 by paying TL 300.000 including TL 288.825 of share premium. As a result, shareholding percentage of the Arena Bilgisayar San. Ve Tic. A.Ş. increased to 51%.

2. BASIS OF PREPARATION OF FINANCIAL INFORMATION

a) Basis of Presentation

The Company maintains its books of account and prepares its statutory financial statements ("Statutory Financial Statements") in accordance with accounting principles promulgated by Turkish Commercial Code (the "TCC") and tax legislation. The accompanying financial statements expressed in Turkish Lira are based on the statutory records, with adjustments and reclassifications, including remeasurement for the purpose of fair presentation in accordance with International Financial Reporting Standards ("IFRS").

Going Concern
The financial statements of the Company are prepared on a going concern basis, which presumes the realization of assets and settlement of liabilities in the normal course of operations and in the foreseeable future.

b) New and Revised International Financial Reporting Standards

i. New and Revised IFRSs applied with no material effect on the financial statements

ii. New and Revised IFRSs in Issue But Not Yet Effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	*Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Mandatory Effective Date of IFRS 9 and Transition Disclosures*
Amendments to IAS 19	*Defined Benefit Plans: Employee Contributions 1*
Annual Improvements to 2010-2012 Cycle	*IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and IAS 38, IAS 24 1*
Annual Improvements to 2011-2013 Cycle	*IFRS 1, IFRS 3, IFRS 13, IAS 40 1*
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation 2*
Amendments to IAS 27	*Equity Method in Separate Financial Statements 2*
Annual Improvements to 2012-2014 Cycle	*IFRS 5, IFRS 7, IAS 9, IAS 34 3*

IFRS 9 *Financial Instruments*

IFRS 9, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*

This amendment clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

Annual Improvements to 2010-2012 Cycle

IFRS 2: Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'
IFRS 3: Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

IFRS 8: Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly.

IFRS 13: Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only).

IAS 16 and IAS 38: Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

IAS 24: Clarify how payments to entities providing management services are to be disclosed.

Annual Improvements to 2011-2013 Cycle

IFRS 3: Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

IFRS 13: Clarify the scope of the portfolio exception in paragraph 52.

IAS 40: Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment clarifies that that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment, and introduces a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Annual Improvements 2012-2014 Cycle

IFRS 5: Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

IFRS 7: Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements

IAS 34: Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference .The Company evaluates the effects of these standards on the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

3.1 Accounting Policies

Revenue recognition .

Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract.The stage of completion of the contract is determined as follows:

a) Installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
b) Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold; and
c) Revenue from time and material contracts is recognized at the contractual rates as labour hours and direct expenses are incurred.

In cases where revenues include a significant finance income, fair value is determined by discounting the future cash flows from the collection using effective interest rate. The difference between the nominal and fair values is recognised as finance income on accrual basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, credit card receivables and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value (Note 13).

Trade receivables and impairment

Trade receivables that are created by the Company by way of providing goods and services directly to a debtor are carried at par value. Short duration receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant (Note 11). A credit risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.

Related parties

For the purpose of these financial statements shareholders of the Company (Note), key management personnel and board members, in each case together with the companies controlled by or affiliated with them, and investments are considered and referred to as related parties.

Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is determined on the moving average basis for each purchase. Net realisable value is the estimated selling price in the ordinary course of business, less the selling expenses to perform the sales (Note 12).

Property, equipment and related depreciation

Property and equipment are carried at cost less accumulated depreciation (Note 7). Depreciation is provided on a straight-line basis. The depreciation periods for property and equipment, which approximate the useful lives of such assets, are as follows:

	Years
Furniture and fixture	3 - 15
Motor vehicles and other	4

Property and equipment is reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of net selling price and value in use.

Intangible assets

Intangible assets include licences and computer software and special costs (Note 7). Acquired licences and computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 4 to 5 years.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Bank borrowings

Bank borrowings are initially recognised at cost. Subsequently, bank borrowings are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the bank borrowings using the effective yield method.

Deferred income taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Events after the Reporting period.
Events after the reporting date comprise of any event between the balance sheet and the date of authorization of financial statements, even if the event after balance sheet date occurred subsequent to an announcement on the company’s profit or following any selected financial information that are released.

In the case of events requiring adjustments, the company adjusts the amounts recognized in its financial information to refelect the events.

Provision for employment termination benefits

The provision for employment termination benefits represents the present value of the estimated total provision of the future probable obligation of the Company arising from the retirement of the employees calculated in accordance with the laws and regulations in force in the countries where they are registered. Apart from these termination benefits, the Company has not provided any other benefits.

Contingent liabilities and contingent assets

A possible obligation or asset that arises from past events and whose existence 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 have not been recognised in these financial statements and treated as contingent liabilities and contingent assets.

Capital and dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Earnings per share

Earnings per share disclosed in the comprehensive income statement has been determined by dividing net profit for the year by weighted average number of shares outstanding.

Statement of cash flows

In statement of cash flow, cash flows are classified as from operating, investment and finance activities. Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments.

3.2 Use of Estimates

The preparation of these financial statements based on IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and operating costs during the reporting period. Actual results may differ from these estimates.

3.3 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.4 Change in Accounting Policies

Changes made in the accounting policies are applied retrospectively and prior year financial statements are restated. There are no changes in the accounting policies of the Company during the period.

3.5 Comparative Information and Restatement of Prior Period Financial Statements

Financial statements of the Company have been prepared comparatively with the prior period in order to give information about financial position and performance. If the presentation or classification of the financial statements is changed, in order to maintain consistency, financial statements of the prior periods are also reclassified in line with the related changes.

4. Share Capital:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Issued, Subscribed and Paid up capital	11,974.06	11,409.34

5. Reserves and Surplus:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Securities Premium Account		
Opening Balance	18,217.12	17,861.65
Currency translation adjustment	901.68	355.47
Closing Balance	**19,118.80**	**18,217.12**
(b) Profit and Loss Account		
Opening Balance	34,414.07	(6,497.34)
Add: Current year profit	67,139.52	40,911.41
Closing Balance	**1,01,553.59**	**34,414.07**
(c) Foreign Currency Translation reserve		
Opening balance	9,899.53	8,598.71
Adjustments on consolidation		
Movement during the year	4,251.98	(16,205.35)
Closing balance	**14,151.51**	**(7,606.64)**
Total	**1,34,823.90**	**62,530.72**

6. Short-term Borrowings :

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Secured term loans from banks	16,737.22	14,750.19

7. Fixed Assets :

a. **Tangible Assets :**

Particulars	Furniture & Fixtures	Vehicles	Total
Cost			
As at 01.01.15	**54,336.17**	**3,403.89**	**57,740.06**
Additions	9,307.10		9,307.10
Disposals		3,466.09	3,466.09
Translation adjustments	2,974.81	62.20	3,037.01
As at 31.12.15	**66,618.08**	**--**	**66,618.08**
Accumulated Depreciation			
As at 01.01.15	**29,122.17**	**3,466.93**	**32,,589.10**
Additions	15,404.86	--	15,404.86
Disposals	--	3,530.28	3,530.28
Translation adjustments	1,913.78	63.36	1,977.13
As at 31.12.15	**46,440.81**	**--**	46,440.81
Carrying Amount			
As at 01.01.15	**25,214.00**	**(63.03)**	**25,150.97**
As at 31.12.15	**20,177.28**	**-**	**20,177.28**

b) **Intangibe Assets :**

Particulars	**Non competition agreement**	**Total**
Cost		
As at 01.01.15	**26,033.46**	**26,033.46**
Additions	2,760.04	2,760.04
Disposals	3,722.84	3,722.84
Translation adjustment	1,259.04	1,259.04
As at 31.12.15	**26,329.69**	**26,329.69**
Accumulated Depreciation	**Non competition agreement**	**Total**
As at 01.01.15	**11,283.27**	**11,283.27**
Additions	5,327.51	5,327.51
Disposals	3,851.22	3,851.22
Translation		603.75

adjustment	603.75	
As at 31.12.15	13,363.31	**13,363.31**
Carrying Amount	**Non competition agreement**	**Total**
As at 01.01.15	**14,750.19**	**14,750.19**
As at 31.12.15	**12,966.38**	**12,966.38**

8. Trade Payables:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Trade Payables	3,33,751.98	8,446.69
Total	**3,33,751.98**	**8,446.69**

9. Other Current Liabilities:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Other Payables	99,497.12	58,244.34
(b)Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	8,864.77	14,245.91
Total	**1,08,361.89**	**72,490.25**

10. Long-Term Loans and Advances:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Secured, considered good	2,050.81	1,134.63

11. Inventories:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a) Trading Stocks	13,495.62	7,627.24
Total	**13,495.62**	**7,627.24**

12. Trade Receivables:

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Secured, considered good	4,885,54.68	1,04,070.79
Total	**4,88,554.68**	**1,04,070.79**

13. Cash and Cash Equivalents:
Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
(a)cash on hand	198.47	--
(b) Balances with banks	4630.85	2,458.37
Total	**4,829.32**	**2,458.37**

14. Deferred tax Assets

Particulars	**31-Dec-15**	**31-Dec-14**
Deferred tax assets	1,918.50	4,979.77
Total	**1,918.50**	**4,979.77**

15. Other current Assets

Amount in ₹

Particulars	**31-Dec-15**	**31-Dec-14**
Value added tax receiveble	33,739.05	-
other advances	1,918.50	-
receivables from administration	1,058.48	-
Others	20,309.59	-
Prepaid exp	8,600.15	10,526.85
Total	**65,625.76**	**10,526.85**

16. Revenue from operations:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
(i)Sales	12,81,491.92	690,785.16
Total	**12,81,491.92**	**690,785.16**

17. Other income:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
(a) Other non operating income	4,942.39	489.22
Total	**4,942.39**	**489.22**

18. Employee benefits:

Amount in ₹

Particulars	31-Dec-15	3 1-Dec-14
(i) Salaries and Bonus	98,847.86	67,207.23
Total	**98,847.86**	**67,207.23**

19. Finance Costs:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Interest expenses	10,975.96	4,953.40
Total	**10,975.96**	**4,953.40**

20. Other Expenses:

Amount in ₹

Particulars	31-Dec-15	31-Dec-14
Rent	25,738.96	20,180.52
Repairs and Maintenance	513.50	1,834.59
Travel	9,114.54	4,403.02
Professional Charges	10,462.47	856.14
Exchange Gain/(Loss) Net	-20,796.56	-6,115.31
Miscellaneous Expenses	28,884.12	39,810.65
Total	**53,917.02**	**60,969.62**

Redington Senegal Limited, SARL

Standalone Balance Sheet as at 31 March,2016

	Particulars	Note.No	Amount in ₹ As at 31.3.2016
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	1	575,000.00
	(b) Reserves and surplus	2	26,581,656.14
			27,156,656.14
3	**Current liabilities**		
	Trade payables	3	367,287,356.73
			367,287,356.73
	TOTAL		**394,444,012.87**
B	**ASSETS**		
1	**Non-current assets**		
	Fixed assets-Tangible assets	5	4,456,821.56
	(b) Non-current investments	8	-
			4,456,821.56
2	**Current assets**		
	(a) Inventories	4	180,462,768.02
	(b)Trade receivables	6	125,215,613.76
	(c) Cash and cash equivalents	7	56,036,084.16
	(d) Short-term loans and advances	9	28,272,725.39
			389,987,191.32
	TOTAL		394,444,012.86

Redington Senegal Limited, SARL

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note. No	31st March,2016 2015-16	31st March,2015 2014-15
Income			
Revenue from operations	10	3,870,301,585	21,228,140.63
Other income	11	-	2,837,696.04
Total Revenue		**3,870,301,585.32**	**24,065,836.67**
Expenses:			
Purchases of trading stock		3,881,515,765.74	23,581,556.84
Changes in inventories of trading stock		(179,645,736.53)	(817,031.49)
Employee benefits	12	-	78,450.12
Depreciation & Amortisation	5	762,336.19	3,375.96
Other expenses	13	162,831,761.38	1,206,969.41
Total expenses		**3,865,464,126.78**	**24,053,320.85**
Profit before tax		**4,837,458.54**	**12,515.82**
Exceptional items			
Profit before extraordinary items and tax			**12,515.82**
Extraordinary Items			-
Profit before tax			**12,515.82**
Tax expense:			
Current tax			
Prior year tax provisions written back	-		
Deferred tax	-		-
Profit after Tax		**4,837,458.54**	**12,515.82**

Redington Senegal Limited, SARL

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016	
Cash flow from operating activities:		
Net Profit before taxation	**4,837,458.54**	
Adjustments for:		
- Depreciation	762,336.19	
Operating Profit before working capital changes	**5,599,794.72**	
Increase in Trade receivables	(124,798,884.89)	
Increase in Loans & advances and Other current assets	(14,245,544.21)	
Increase in inventories	(179,645,736.53)	
Increase in Trade Payables, Other Current Liabilities & Provisions	351,584,886.27	
Cash generated from operations	38,494,515.36	
Net Cash (used in) / generated from operating activities		**38,494,515.36**
Cash flow from investing activities:		
Purchase of fixed assets	-3,893,475.29	
Proceeds from sale of fixed assets	346,331.44	
Investment in subsidiaries		
Proceeds from redemption of investments	8,202.94	
Net Cash used in investing activities		**(3,538,940.91)**
Cash flow from financing activities:		
Proceeds from issue of share capital by a subsidiary	-	
Proceeds from issue of share capital		
(Repayment of) / Proceeds from long term borrowing	-	
(Repayment of) / Proceeds from short term borrowing	-	
Dividend paid by subsidiary to minority shareholders	-	
Dividends Paid, including dividend tax		
Finance cost paid	-	
Net Cash generated from financing activities		**-**
Net (decrease) / increase in cash and cash equivalents		**34,955,574.45**
Cash and cash equivalents at the beginning of the year		**433,506.28**
Currency Translation Adjustment		20,647,003.42
Cash and cash equivalents at the end of the year		**56,036,084.16**

Redington Senegal Limited, SARL

FINANCIAL STATEMENTS
31 MARCH, 2016

1. Share Capital :

₹ in Lakhs

Particulars	31-Mar-16	31-Mar-15
Issued, Subscribed and Paid up capital	5,75,000.00	**8,202.94**

2. Reserves and Surplus:

₹ in Lakhs

Particulars	31-Mar-16	31-Mar-15
(a) Profit and Loss Account		
Opening Balance	12,515.82	-
Add: Current year profit	48,37,458.54	12,515.82
Closing Balance	**48,49,974.36**	**12,515.82**
(b) Foreign Currency Translation reserve		
Opening balance	(1,774.08)	-
Movement during the year	217,33,455.86	(1,774.08)
Closing balance	217,31,681.78	**(1,774.08)**
Total	12,515.82	**10,741.74**

3. Trade Payables:

₹ in Lakhs

Particulars	31-Mar-16	31-Mar-15
(a) Trade Payables	42,73,802.16	-
(a) Expense Payable	23,65,046.88	38,152.03
(b) Due to related parties	3605,84,242.71	156,64,318.43
(e) Other Payables	64,264.99	-
Total	**3672,87,356.73**	**157,02,470.46**

4. Inventories:

Particulars	31-Mar-16	31-Mar-15
(a) Trading Stocks	1804,62,768.02	817,031.49
Total	**1804,62,768.02**	**8,17,031.49**

5. Fixed Assets

Particulars	Furniture & Fixtures	Computers	Vehicles	Total
Cost				
As at 01.04.15	7,367.69	4,450.09	9,843.52	21,661.30
Additions	4,64,399.98	6,28,302.68	8,66,503.46	37,93,287.10
Disposals	2,14,266.12	1,32,065.32	-	3,46,331.44
Translation adjustments	5,41,125.38	3,71,053.84	7,91,153.02	19,38,272.60
As at 31.3.16	**7,98,626.93**	**8,71,741.29**	**16,67,500.00**	**54,06,889.57**
Accumulated Depreciation				
As at 01.04.15	1,484.58	428.50	984.35	2,897.43
Additions	83,820.35	55,876.22	4,11,137.34	6,62,148.00
Disposals	41,193.98	4,510.92	-	0.10
Translation adjustments	1,08,040.10	36,187.78	1,20,681.13	2,85,022.67
As at 31.3.16	**1,52,151.05**	**87,981.59**	**5,32,802.82**	9,50,068.00
Carrying Amount				
As at 01.04.15	**5,883.11**	**4,021.59**	**8,859.17**	**18,763.87**
As at 31.3.16	**6,46,475.88**	**7,83,759.69**	**11,34,697.18**	**44,56,821.56**

Intangibles

Particulars	Software	Non-competition agreement	Total
Cost			
As at 01.04.15	-	-	-
Additions	1,00,188.19	-	1,00,188.19
Disposals	-	-	-
Translation adjustment	12,833.81	-	12,833.81

As at 31.3.16	1,13,022.00	-	1,13,022.00
Accumulated Depreciation	Software	Non-competition agreement	Total
As at 01.04.15	-	-	-
Additions	1,00,188.19	-	1,00,188.19
Disposals	-	-	-
Translation adjustment	12,833.81	-	12,833.81
As at 31.3.16	1,13,022.00	-	1,13,022.00
Carrying Amount	Software	Non-competition agreement	Total
As at 01.04.15	-	-	-
As at 31.3.16	-	-	-

6. Trade Receivables:

₹ in Lakhs

Particulars	**31-Mar-16**	**31-Mar-15**
Trade receivables	1252,15,613.76	416,728.87
Total	**1252,15,613.76**	**416,728.87**

7. Cash and Cash Equivalents:

₹ in Lakhs

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Cash on hand	17,90,851.76	45,086.38
(b) Balances with banks	542,45,232.40	388,420.41
Total	**560,36,084.16**	**433,506.79**

8. Non-Current Investments:

₹ in Lakhs

Particulars	31-Mar-16	31-Mar-15
Investment in subsidiary	-	8,202.94

9. Short-term Loans and Advances:

₹ in Lakhs

Particulars	31-Mar-16	31-Mar-15
(a) Loans and advances to related parties	-	137,32,795.48
(b) Security deposits - Unsecured, considered good	10,19,587.13	5,331.91
(c) Prepaid taxes	201,97,608.59	2,88,138.58
(d) Prepaid expenses	38,85,710.85	-
(d) Loans and advances to employees	2,18,309.45	915.21
(e) Other advances	29,51,509.39	
Total	**282,72,725.39**	**140,27,181.18**

10. Revenue from Operations:

Particulars	31-Mar-16	31-Mar-15
Sales	38703,01,585.32	21,228,140.63
Total	**38703,01,585.32**	**21,228,140.63**

₹ in Lakhs

11. Other Income:

Particulars	31-Mar-16	31-Mar-15
Other non operating income	-	2,837,696.04
Total	-	**2,837,696.04**

₹ in Lakhs

12. Employees benefits expenses:

Particulars	**31-Mar-16**	**31-Mar-15**
(i) Salaries and Bonus	-	78,450.12
Total	-	**78,450.12**

₹ in Lakhs

13. Other Expenses

Particulars	**31-Mar-16**	**31-Mar-15**
Rent	33,53,097.74	59,313.58
Repairs and Maintenance	10,01,799.82	13,313.84
Utilities	8,53,220.68	1,735.14
Insurance	21,31,610.64	14,915.74
Distribution expenses	758,13,771.94	-
Communication	7,73,322.84	16,123.37
Printing and Stationery	2,37,651.21	4,428.65
Travel	-	24,991.77
Professional Charges	109,35,807.03	31,308.77
Auditor's Remuneration	20,23,404.55	-
Exchange Gain/(Loss) Net	607,38,131.37	9,72,275.25
Software Expenses	5,08,415.30	-
Bank Charges	83,06,896.29	67,513.93
Miscellaneous Expenses	-38,45,368.04	1,049.38
Total	**1628,31,761.38**	**12,06,969.41**

ENSURE DIGITAL FZ (L.L.C)
Standalone Balance Sheet as at 31 March,2016

			Amount in ₹
	Particulars	**Note.No**	**As at 31st March,2016**
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	1	922,750.00
	(b) Share Holders Current Account	3	43,922,900.00
	(c) Reserves and surplus	2	(44,845,650.00)
			-
	Money received against share warrants		
2	**Current liabilities**		
	(a) Short-term borrowings	5	-
	(b) Trade payables	4	-
			-
	TOTAL		**-**
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets		
	(i) Tangible assets	6	-
	(ii) Intangible assets		-
			-
2	**Current assets**		
	(a)Trade receivables	7	-
	(b) Cash and cash equivalents	8	-
	(c) Short-term loans and advances	9	-
			-
	TOTAL		**-**

ENSURE DIGITAL FZ (L.L.C)
Stand alone statement of Profit and Loss account for the year ended March 31, 201

Amou

Particulars	Note.No	31st March,2016
		2014-15
Income		
Revenue from operations	10	57,853,372.50
Total Revenue		**57,853,372.50**
Expenses:		
Purchases of trading stock		68,212,791.82
Changes in inventories of trading stock		-
Employee benefits	11	-
Depreciation & Amortisation		-
Other expenses	12	19,234,413.54
Total expenses		**87,447,205.35**
Profit before tax		**(29,593,832.85)**
Exceptional items		
Profit before extraordinary items and tax		**(29,593,832.85)**
Extraordinary Items		
Profit before tax		**(29,593,832.85)**
Tax expense:		
Deferred tax	-	-
Profit after Tax		**(29,593,832.85)**
Profit/(loss) from discontinuing operations		-
Share of Loss of Associate		(29,593,832.85)
Profit before Minority Interest		
Profit for the Year		**(29,593,832.85)**
Earnings per equity share:		
Basic		
Diluted		
See accompanying notes forming part of Profit and loss statement		

Ensure Digital FZ (L.L.C.)
Dubai, United Arab Emirates

Notes on Accounts
for the year ended 31 March 2016

Management representation letter

06, March ,2016

To,
Deloitte & Touche (M.E)
PO Box 4254
Dubai, UAE.

Dear Sirs,
This representation letter is provided in connection with your Liquidator's report on Ensure Digital FZ-LLC ('The company ") as of 31st January 2016 for the purpose of issuing that report to the Dubai Technology and Media Free Zone Authority.

We confirm to the best of our knowledge and belief the following representations :

a. As on the date of liquidation there were no asets and liabilities in the books of the company , other than the Equity of the company and an equivalent amount owed to the shareholders . Any further liquidation expenses will be paid by the shareholders in their personal capacity.
b. All bank accounts have been closed.
c. All the employees dues have been settled, and there are no claims from the employees .
d. All the creditors of the company have been settled and there were no claims from the creditor.
e. The shareholders confirm if any claims arise after liquidation the same will be seetled by them in their own personal capacity.

For Ensure Digital FZ LLC.
Signature.

(Shareholder).

Notes to the financial statements for the period ended 31 March 2016 (After Liquidation)

1. . Share Capital:

Amount in `

Particulars	31-Mar-16	31 Mar -15
Issued, Subscribed and Paid up	901875	850,750.00

2. . Reserves and Surplus:

Amount in `

(a) Profit and Loss Account		
Particulars	31-Mar-16	31-Mar-15
Opening Balance	(126,33,714.43)	-
Add: Current year profit	(297,54,610.31)	(12,633,714.43)
Closing Balance	(423,88,324.74)	(12,633,714.43)
(b) Foreign Currency Translation reserve		
Particulars	31-Mar-16	31-Mar-15
Opening balance	(129,11,713.64)	-
Movement during the year	(11,65,107.68)	(277,999.21)
Less: Currency Adjustment upon Liquidation	**(140,76,821.32)**	
Closing balance	**126,34,021.07**	(277,999.21)
Total	**(438,31,125.00)**	(12,911,713.65)

3. **Shareholders Current Account** **429,29,250** **---**

4. Trade Payables

Amount in `

Particulars	31 Mar 16	31-Mar-15
Provision for Gratuity		400,431.01
Total		400,431.01

5. . Short term Borrowings:

Amount in `

Particulars	31-Mar-16	31-Mar-15
Loans and advances from Related Parties		19,447,175.15

6. Fixed Assets

Tangible Assets:

Amount in `

Particulars	Office Equipments	Total
Cost		
As at 01.04.15		
Additions	-	-
Translation adjustments	-	-
As at 31.03.16	-	-
Accumulated Depreciation		
As at 01.04.15	-	-
Additions	-	-
Translation adjustments	-	-
As at 31.03.16	-	-
Carrying Amount		
As at 01.04.15	-	-
As at 31.03.16	-	-

Intangible Assets:

Amount in `

Particulars	Software	Total
Cost	-	-
As at 01.04.15	-	-
Additions	-	-
Translation adjustment	-	-
As at 31.03.16	-	-
Accumulated Depreciation	Software	Total
As at 01.04.15	-	-
Additions	-	-
Translation adjustment	-	-
As at 31.03.16	-	-

Carrying Amount	Software	Total
As at 01.04.15	-	-
As at 31.03.16	-	-

7. . Trade Receivables

Amount in `

Particulars	31-Mar-16	31-Mar-15
Unsecured, considered good	-	212,330.19

8. .Cash & cash equivalents

Amount in `

Particulars	31-Mar-16	31-Mar-15
(a) Cash on hand	-	113,030.65
(b) Balances with banks -In current account	-	2,499,724.70
Total	-	2,612,755.34

9. .Short-term loans & advances

Amount in `

Particulars	31-Mar-16	31-Mar-15
(a) Security deposits	-	127,612.50
(b) Prepaid expenses	-	1,904,403.88
Total	-	2,032,016.38

10. Income from Operations:

Amount in `

Revenue from operations		
Particulars	31-Mar-16	31-Mar-15
(i)Sales	-	17,265,886.04
Total	-	17,265,886.04

11. . Employee Benefits:

Amount in `

Particulars	31-Mar-16	31-Mar-15
(i)Salaries and Bonus	-	363,423.46
Total	-	363,423.46

12 . Other Expenses:

Amount in `INR

Particulars	31-Mar-16	31-Mar-15
Rent	-	2,529,196.90
Freight	-	217,697.80
Communication	-	429,385.43
Advertisement	-	3,980,593.24
Professional Charges	-	4,344,616.06
Miscellaneous Expenses	-	930,742.99
Total	-	12,432,232.42

Redington Saudi Arabia

Standalone Balance Sheet as at 31 March,2016

	Particulars	Note No.	Amount in ₹ As at 31.03.2016	Amount in ₹ As at 31.03.2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	12	477,022,500.00	448,875,000.00
	(b) Reserves and surplus	13	58,968,655.75	19,071,734.50
			535,991,155.75	**467,946,734.50**
2	**Non-current liabilities**			
	Long-term provisions	11	52,201,402.55	11,311,533.63
			52,201,402.55	**11,311,533.63**
3	**Current liabilities**			
	(a) Trade payables	8	1,803,075,440.05	527,145.50
	(b)Other current liabilities	10	4,408,299,142.50	1,627,711,938.13
	(c) Short-term provisions	9	-	6,033,744.50
			6,211,374,582.55	**1,634,272,828.13**
	TOTAL		**6,799,567,158.50**	**2,113,531,096.25**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	Fixed assets-Tangible assets	6	1,945,032.74	
	Deferred tax assets (net)		321,460.16	2,262,296.75
			2,266,492.91	**2,262,296.75**
2	**Current assets**			
	(a) Inventories	4	2,666,196,064.70	889,708,437.63
	(b)Trade receivables	3	4,025,038,948.37	1,111,367,085.50
	(c) Cash and cash equivalents	7	32,225,590.67	101,077,173.75
	(d) Short-term loans and advances	5	73,840,061.86	9,116,102.63
			6,797,300,665.60	**2,111,268,799.50**
	TOTAL		**6,799,567,158.51**	**2,113,531,096.25**

Redington Saudi Arabia

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note No	31st March,2016 2015-16	31st March,2015 2014-15
Income			
Revenue from operations	14	11,841,101,517.47	1,650,777,129.41
Other income	15	-	529,377.02
Total Revenue		**11,841,101,517.47**	**1,651,306,506.44**
Expenses:			
Purchases of trading stock		13,158,911,893.97	2,457,181,524.56
Changes in inventories of trading stock		-1,776,487,627.08	(889,708,437.63)
Employee benefits	16	270,124,112.43	41,131,085.68
Depreciation & Amortisation	6	8,552,409.99	
Other expenses	17	120,468,130.16	20,092,598.59
Total expenses		**11,781,568,919.47**	**1,628,696,771.20**
Profit before tax		**59,532,598.00**	**22,609,735.23**
Tax Reversal		-7,831,775.98	3,732,905.26
Profit after Tax		**51,700,822.02**	**18,876,829.97**
See accompanying notes forming part of Financial statements			

Redington Saudi Arabia

Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	Year Ended March 31, 2016	
Cash flow from operating activities:		
Net Profit before taxation	**59,532,598.00**	
Adjustments for:		
- Depreciation	8,552,409.99	
Operating Profit before working capital changes	**68,085,007.99**	
Decrease in Trade receivables	(2,913,671,862.87)	
Increase in Loans & advances and Other current assets	(62,783,122.65)	
Increase in Inventories	(1,776,487,627.08)	
Increase/(decrease) in Trade Payables, Other Current Liabilities & Provisions	4,617,991,623.35	
Cash generated from operations	**(66,865,981.26)**	
Direct taxes paid	(7,831,775.98)	
Net Cash (used in) / generated from operating activities		**(74,697,757.24)**
Cash flow from investing activities:		
Purchase of fixed assets	(10,499,002.35)	
Proceeds from sale of fixed assets	-	
Net Cash used in investing activities		**(10,499,002.35)**
Cash flow from financing activities:		
Dividends Paid, including dividend tax	-	
Net Cash generated from financing activities		**-**
Net (decrease) / increase in cash and cash equivalents		**(85,196,759.59)**
Cash and cash equivalents at the beginning of the year		**101,077,173.74**
Currency Translation Adjustment		16,345,176.52
Cash and cash equivalents at the end of the year		**32,225,590.67**

REDINGTON SAUDI ARABIA DISTRIBUTION COMPANY
(LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS AND AUDITORS' REPORT
FOR THE YEAR ENDED MARCH 31, 2016

1. ORGANIZATION AND ACTIVITIES

Redington Saudi Arabia Distribution Company ("the Company") is limited liability company registered in Riyadh, in the Kingdom of Saudi Arabia under Commercial Registration No. 1010421743 dated Shawal 22, 1435H (corresponding to August 18, 2014).

The objectives of the Company are to engage in importing and trading of telephone and telecommunication equipment, computers and accessories and software, pursuant to the license issued the Saudi Arabian General Investment Authority No. 1049350636254 dated Jumada Al Thani 24, 1435H (corresponding to April 24, 2014)..

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with the accounting standards in the Kingdom of Saudi Arabia issued by the Saudi Organization for Certified Public Accountants. The following is a summary of significant accounting policies applied by the Company:

Accounting convention
The financial statements are prepared under the historical cost convention.

Use of estimates
The preparation of financial statements in conformity with generally accepted accounting standards in the Kingdom of Saudi Arabia which requires the use of estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of Contingent assets and liabilities at the reporting date of the financial statements in addition to the reported amounts of revenues and expenses during the year. Although these estimates are based on management's best knowledge of current events and activities available with the managements, actual result ultimately may differ from those estimates.

Revenue recognition
Sales are recognized upon delivery of goods to customers and are stated net of trade or quantity discounts.

Expenses

Selling and distribution expenses principally comprise of costs incurred in the distribution and sale of the Company's products. All other expenses are classified as general and administrative expenses.

General and administrative expenses include costs not specifically part of cost of sales as required under generally accepted accounting standards. Allocations between selling and distribution expenses, general and administrative expenses and cost of sales, when required, are made on a consistent basis.

Provisions

A provision is made when the Branch has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on weighted average cost basis, and incudes expenditures incurred in acquiring and bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of sales. Appropriate provision is made for obsolete and slow moving and obsolete inventories.

Operating leases

Leases are classified as operating lease whenever the terms of the lease do not transfer substantially all of the risks and rewards of ownership of assets to the lessee. Rentals payable under operating lease are charged to statement of income on a straight line basis over the term of the operating lease.

Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the exchange rates prevailing at the time of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of income.

End-of-service indemnities

End-of-service indemnities, required by Saudi Arabian Labour Law, are provided in the Financial statements based on employees' length of service.

Income tax
The Company's Saudi partner is subject to Zakat in accordance with the Regulations of the Department of Zakat and Income Tax as applicable in the Kingdom of Saudi Arabia. The zakat charge is computed on the Zakat base. An estimate of Zakat arising there from is provided by a charge to Saudi partners' equity.

The Company's foreign partners are subject to income tax in accordance with Regulations of Zakat and Income Tax as applicable in the Kingdom of Saudi Arabia. Income tax is computed on adjusted net income. An estimate of income tax arising there from is provided by a charge to foreign partners' equity.

Deferred income tax
Deferred income tax assets are recorded for temporary differences between the carrying amount of assets and liabilities in the financial statements and the carrying amounts for tax purposes. In addition, deferred income taxes are recognized for tax loss carry forwards to the extent that it is probable that future taxable profit for the relevant tax will be available against which the tax loss carry forwards can be utilized.

Deferred income tax liabilities are recorded for temporary difference between the carrying amount of assets and liabilities in the financial statements and the carrying amounts for tax purposes to the extent that there is a surplus of deferred tax liabilities relating to the relevant tax regulations.

3. Trade Recievable:

Amount in ₹

Particulars	31-Mar-16	31-Mar-2015
Unsecured, considered good	40250,38,948.37	1,111,367,085.50
Total	**40250,38,948.37**	**1,111,367,085.50**

4. Inventories:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Trading Stocks	26661,96,064.70	889,708,437.63
Total	**26661,96,064.70**	**889,708,437.63**

5. Short term Loans and Advances:

Particulars	31-Mar-16	31-Mar-15
(a) Loans and advances to related parties	170,50,321.22	5,007,749.25
(b) Loans and advances to employees	22,45,539.25	1,147,125.00
(c) Prepaid expenses - Unsecured, considered good	131,12,853.84	2,961,228.38
(d) Other advances	414,31,347.55	-
Total	**738,40,061.86**	**9,116,102.63**

6. RELATED PARTY TRANSACTIONS AND BALANCES

During the period, the Company transacted with the following partners and entities related to them. The terms of those transactions were approved by the Company's management:

Name	Relationship
Redington Gulf FZE ('RGF')	Partner
Ensure Services Arabia LLC	Affiliate
Hamdan Abdulaziz Al-Hamdan Office For Trading Services	Affiliate

Due from a related party as of March 31 is as follows:	2016 INR	2015 INR
Ensure Services Arabia LLC	170, 50,320.16	5,007,749

Due to related parties as of March 31 are as follows:	2016 INR	2015 INR
Redington Gulf FZE	35086, 52,574.11	1,199,990,555.13
Cadensworth UAE LLC	8171,58,035.78	
Hamdan Abdulaziz Al-Hamdan Office For Trading Services	--	372,422,294.00
	43258,10,609.89	1,572,412,849.13

The Company has an arrangement with RGF for sharing quantity discounts, purchase rebates and other promotions offered to RGF from its ultimate suppliers. The Company periodically receives credit notes for such back-ends receivable from RGF and set-off against the its payable amounts to RGF. The amount of back-end receivables settled against payables during the year amounted to INR 42,250,558.88. At year end there were no back-ends receivables from RGF.

7. Cash & cash equivalents:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
Cash on hand	1,31,817.22	959,844.38
Cash at bank	320,93,773.45	100,117,329.38
Total	**322,25,590.67**	**101,077,173.75**

8. Trade Payables:

Amount in ₹

Particulars	**31-Mar-16**	**31-Mar-15**
(a) Trade Payables	18030,75,440.05	527,145.50
Total	18030,75,440.05	**527,145.50**

REDINGTON SAUDI ARABIA DISTRIBUTION COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

9. Short term Provisions:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Provision For Taxation	--	6,033,744.50
Total	**--**	**6,033,744.50**

The Company has finalized its income tax assessment with the Department of Zakat and Income Tax (DZIT) up to March 31, 2007. Further, the Company has filed its income tax returns for the years ended March 31, 2008 to 2013 which are under review by DZIT.

10. Other Current Liabilities:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(a) Expenses payable	824,88,532.79	25,100,026.00
(b) Advances from customers	-	30,199,063.13
(c) Due to related parties	43258,10,609.71	1,572,412,849.00
Total	**44082,99,142.50**	**1,627,711,938.13**

11. Long term Provisions:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Provision for employee benefits-Gratuity	522,01,402.55	11,311,533.63
Total	**522,01,402.55**	**11,311,533.63**

12. Share Capital:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Issued, Subscribed and Paid up capital	4770,22,500.00	448,875,000.00

REDINGTON SAUDI ARABIA DISTRIBUTION COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

13. Reserves and Surplus:

Amount in ₹

Particulars		
(a) Profit and Loss Account		
Particulars	**31-Mar-15**	**31-Mar-16**
Opening Balance	166,15,849.86	-
Add: Current year profit	517,00,822.02	18,876,829.98
Transfer to Statutory Reserves	-3,21,717.93	(2,260,980.11)
Closing Balance	**679,94,953.96**	**16,615,849.87**
(b) Statutory Reserves		
Particulars	**31-Mar-15**	**31-Mar-16**
Opening Balance	22,84,324.88	-
Transfer from Statement of Profit and Loss	3,21,717.93	2,260,980.11
CTA	1,42,984.87	23,344.77
Closing balance	**27,49,027.67**	**2,284,324.88**
(c) Foreign Currency Translation reserve		
Particulars	**31-Mar-15**	**31-Mar-16**
Opening balance	1,71,559.76	-
Movement during the year	-119,46,885.64	171,559.76
Closing balance	**-117,75,325.88**	**171,559.76**
Total	**589,68,655.75**	**19,071,734.50**

REDINGTON SAUDI ARABIA DISTRIBUTION COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

*STATUTORY RESERVE

In accordance with the Regulations for Companies in Saudi Arabia, the Company has established a statutory reserve by appropriation of 10 % of net income until the reserve equaled 50 % of the share capital. This reserve is not available for dividend distribution.

14. Revenue from operations

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Sales	118411,01,517.47	1,650,777,129.41
Total	**118411,01,517.47**	**1,650,777,129.41**

15. Other Income:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Other non operating income	-	529,377.02
Total	**-**	**529,377.02**

16. Employee Benefits:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
(i) Salaries and Bonus	2701,24,112.43	41,131,085.68
Total	**2701,24,112.43**	**41,131,085.68**

17. Other Expense:

Amount in ₹

Particulars	31-Mar-16	31-Mar-15
Rent	95,03,347.70	14,94,221.81
Freight	-	11,16,544.36
Utilities	3,75,700.05	-
Insurance	114,37,828.13	-
Communication	21,01,395.36	4,98,589.53
Advertisement	557,65,589.64	38,07,002.57
Travel	189,26,615.14	38,53,702.14
Professional Charges	26,10,238.36	32,69,957.47
Auditor's Remuneration	40,79,160.50	-
Bank Charges	140,92,394.42	-
Miscellaneous Expenses	15,75,860.86	60,52,580.70
Total	**1204,68,130.16**	**200,92,598.59**

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, currency risk and the fair value of the financial instruments.

The management reviews and manages each of these risks which are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash and bank balances and accounts receivables.

The Company deposits its cash balances with a number of major high credit rated financial institutions and has a policy of limiting its balances deposited with each institution.

The Company also does not consider itself exposed to material credit risk with respect to accounts receivable due to its diverse customer base operating in various sectors and located throughout the Kingdom of Saudi Arabia. The Company also seeks to limit its credit risk with respect to accounts receivable by setting credit limits for individual accounts and monitoring outstanding receivables.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in realizing assets or otherwise raising funds to meet commitments associated with financial instruments.

Liquidity risk is closely monitored through regular review of available funds and the cash flows from asset realizations against present and future commitments.

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange values.

Management monitors fluctuations in foreign currency exchange rates, and believes that the Company is not exposed to significant currency risk since the Company's functional currency is the Saudi Riyal, in which the Company transacts, which is currently fixed, within a narrow margin, against the U.S. dollar.

Fair value of financial instruments
Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of cash and bank balances, accounts receivables and due from related party balances. Financial liabilities consist of accounts payable, accruals and due to relataed parties balances.

The fair values of financial instruments are not materially different from their carrying values.

Paynet Ödemet Hizmetleri Anonim Şirketi (Turkey)

Standalone Balance Sheet as at 31 , December, 2015

			Amount in ₹
	Particulars	**Note.No**	**As at 31.12.2015**
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	10	45,347.36
	(b) Reserves and surplus	11	21,426.63
			66,773.99
2	**Current liabilities**		
	(b) Trade payables	9	90,989.48
	(b)Other current liabilities	7	7,255.58
	(c) Short-term provisions	8	5,373.66
			103,618.72
	TOTAL		**170,392.72**
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets		
	(i) Tangible assets	6	2,630.15
	(ii) Intangible assets		8,638.67
			11,268.82
2	**Current assets**		
	(a) Cash and cash equivalents	4	157,990.21
	(h) Other Current Assets	5	1,133.68
			159,123.90
	TOTAL		**170,392.72**
See accompanying notes forming part of Balance Sheet			

Paynet Ödemet Hizmetleri Anonim Şirketi (Turkey)

Stand alone statement of Profit and Loss account for the year ended December,31, 2015

Particulars	Note.No	Amount in ₹
		31.12.2015
		14-15
Income		
Revenue from operations	12	126,213.73
Other income	13	4,454.32
Total Revenue		**130,668.05**
Expenses:		
Purchases of trading stock		77,784.81
Employee benefits	14	13,102.35
Depreciation & Amortisation	6	5,378.36
Other expenses	15	6,397.17
Total expenses		**102,662.68**
Profit before tax		**28,005.37**
Profit before extraordinary items and tax		**28,005.37**
Profit before tax		**28,005.37**
Tax expense:		
Prior year tax provisions written back		
Current tax		5,615.29
Profit after Tax		**22,390.08**
Profit for the Year		**22,390.08**
Earnings per equity share:		
Basic		
Diluted		

Paynet Ödemet Hizmetleri Anonim Şirketi (Turkey)
Cash Flow Statement for the year ended December 31 ,2015

Amount in ₹

Particulars	Year Ended December , 31, 2015	
Cash flow from operating activities:		
Net Profit before taxation	28,005.37	
Adjustments for:		
- Depreciation	5,378.36	
- Finance cost		
- Interest Income		
- Provision for Doubtful debts		
- Bad debts written off		
- Provision for compensated absences		
- Provision for employee benefits		
- Rent Equalisation Reserve		
- Provision for standard assets		
- Unrealised Foreign Exchange Variation (Net)		
-Employee Share purchase reserve		
- (Profit) / Loss on sale of fixed assets		
Operating Profit before working capital changes	**33,383.73**	
Decrease in Trade receivables	-	
Increase in Loans & advances and Other current assets	(1,133.68)	
Increase/(Decrease) in Trade Payables, Other Current Liabilities & Provisions	103,618.72	
Cash generated from operations	**135,868.77**	
Direct taxes paid	(5,615.29)	
Net Cash (used in) / generated from operating activities		**130,253.48**
Cash flow from investing activities:		
Purchase of fixed assets	(17,153.88)	
Proceeds from sale of fixed assets		
Interest received		
Loan settled by ESPS Trust		
Deposits placed		
Deposits settled		
Consideration for acquisition of Minority interest in a subsidiary		
Investment in associate		
Investment in subsidiaries		
Proceeds from redemption of investments		
Net Cash used in investing activities		**(17,153.88)**
Cash flow from financing activities:		
(Repayment of) / Proceeds from short term borrowing		
Net Cash generated from financing activities		-
Net (decrease) / increase in cash and cash equivalents		**113,099.60**
Cash and cash equivalents at the beginning of the year		
Currency Translation Adjustment		44,890.61
Cash and cash equivalents at the end of the year		**157,990.21**

Paynet Ödemet Hizmetleri Anonim Şirketi (Turkey)

Notes on Accounts

For the Year ended 31 december 2015.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Paynet Ödemet Hizmetleri Anonim Şirketi

Turkey

We have audited the accompanying financial statements of **Paynet Ödemet Hizmetleri Anonim Şirketi, Turkey**(the "Company") which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the separate financial position of **Paynet Ödemet Hizmetleri Anonim Şirketi, Turkey**as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Sd:-

Director.

(DRT BAGIMSIZ DENETIM VE SERBEST MUHASEBECI MALI MUSA VIRLIK A.S)

Member of DELOITTE TOUCHE TOHMATSU LIMITED.

Date: May,24,2016

NOTE- 1.

Organization and Principal Activities:

Paynet Odeme Hizmetleri A.S.(The " Company") was incorporated on 16 January 2015. The company is engaged to operate in the payment intermediation services area. The company is registered and operates in Turkey. Paynet Odeme Hizmetleri A.S has applied for licence to BDDK and the licence has not been concluded as of balance sheet date.

The address of its registered office is as follows.

Merkez Mahallesi , Gokturk Caddesi No.4

Eyup 34077 Istanbul.

Turkey.

On January 2015, Arena Bilgisayar San ve Tic A.S, established the company to operate in the payment intermediation services area with an initial capital of TL 2000.000(two millions of Turkish Lira)with TL 1000,00face value for each share . The average number of employees of the company at 31 December 2015 is 13.

NOTE 2- BASIS OF PREPARATION OF FINANCIAL INFORMATION

a) **Basis of Preparation.:**

The company maintains its Books of accounts and prepares its statutory Financial statements in accordance with the accounting principles promulgated by Turkuish commercial code (the " TCC ")and tax legislation. The accompanying financial statements expressed in Turkish lira are based on the statutory records , with adjustments and reclassifications , including remeasurement for the purpose of fair presentation in accordance with International Financial Reporting Standards ('IFRS'). The fianacial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values . Historical cost is generally based on the fair value of the consideration given in exchange for assets . The company's functional currency is the Turkish Lira.

Going Concern.

The financial statements of the company are prepared on a going concern , which presumes the realization of assets and settlement of liabilities in the normal course of operations and in the foreseeable future.

b) New Revised International Financial Reporting Standards .

i) Amendments to IFRS affecting amounts reported and or disclosure in the financial statements.
None.

ii) New and Revised IFRSs applied with no material effect on the financial statements.

Amendments to IAS 19	Defined Benefit Plans : Employee Contributions. [1]
Annual Improvements to 2010-2012 cycle.	IFRS 2,IFRS 3, IFRS 8, IFRS 13, IAS 16 and IAS 38, IAS 24 [1.]
Annual Improvements to 2011-2013 Cycle.	IFRS 3, IFRS 13 and IAS 40 [1.]

[1] Effective for annual periods beginning on or after 1 July 2014.

Amendments to IAS 19. Defined Benefit Plans : Employee Contributions.

This amendment clarifies the requirements that relate to how contributions from employee or Third parties that are linked to service should be attributed to periods of service . In addition , it permits a practical expedient if the amount of contributions is independent of the number of years of service , in that contributions , can but are not required to be recognized as a reduction in the service cost in the period in which the related service is rendered.

Annual Improvements to 2010-2012 Cycle:

IFRS 2: Amends the definition of ' vesting conditions 'and 'market condition ' and adds definitions for 'performance condition ' and 'service condition.'

IFRS 3: Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

IFRS 8 : Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly .

IFRS 13. Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short term receivables and payables on an undiscounted basis (amends basis for conclusions only).

IAS 16 and IAS 38 : Clarify that the gross amount of property, plant and equipment is adjusted ina manner consistent with a revaluation of the carrying amount.

IAS 24: Clarify how payments to entities providing managements services sre to be disclosed.

Annual Improvements to 2011-2013 Cycle:

IFRS 3 : Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

IFRS 13 : Clarify the scope of the portfolio exception in paragraph 32.
IAS 40: Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner occupied property.

iii) New and revised IFRS's in issue but not yet effective:
The company has not applied the following new and revised IFRs that heve been issued but are not yet effective.

IFRS 9	Financial Instruments
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods Of Depreciation and Amortisation. [1]
Annual Improvements to 2011-2013 Cycle.	IFRS [1]
Amendments to IAS [1]	Disclosure initiative [1]

Annual Improvements to 2012-2014 Cycle .	IFRS 5, IFRS 7, IAS 19, IAS 34 [1]
Amendments to IAS 27.	Equity Method in Separate Financial Statements.[1]

[1]Effective for annual periods beginning on or after 1 January 2016.

IFRS 9 Financial Instruments

IFRS 9,issued in November 2009, introduces new requirements for the classification and measurement of financial assets.IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Amendments to IAS 16 and IAS 38 : Clarification of Acceptable methods of Depreciation and amortisatioin.

This amendment clarifies that a depreciation method that's is based on revenue that is generated by an activity. That includes the use of an asset is not approprioate for property , plant and equipment,and introduces a rebutable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate , which can only be overcome in limited circumstances whre the intangible asset is expressed as a measure of revenue , or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.the amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset,which in turn , might reflect a reduction of the future economic benefits embodied in the asset.

Annual Improvements to 2011-2013 Cycle

IFRS 1: Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only).

Amendments to IAS 1 Disclosure Initiative

This amendment addresses perceived impediments to preparers exercising their judgment in presenting their financial reports.

Annual Improvements 2012-2014 Cycle

IFRS 5: Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

IFRS 7: Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

IAS 19: Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

IAS 34: Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

Amendments to IAS 27 Equity Method in Separate Financial Statements

This amendment will allow entities to use the equity method to account for investments in subsidiaries in their separate financial statements.

Possible impact of these standarts, amendments and improves on the Company's financial statement and performance is evaluated.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

3.1 Accounting Policies

Revenue recognition

Revenue is measured at the fair value of the consideration received of receivable. Revenue is reduced for estimated or realized customer returns, discounts and commissions related to sales.

Cash and cash equivalents

Cash and cash equivalents are carried at cost value. Cash and cash equivalents comprise cash on hand and demand deposits, credit card receivables and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value (Note 4).

Related parties

For the purpose of these financial statements subisidiaries, shareholders of the Company (Note 5), key management personnel and board members, their families, in each case together with the companies controlled by or affiliated with them and investments are considered and referred to as related parties.

Property, equipment and related depreciation

Property and equipment are carried at cost less accumulated depreciation (Note 7). Depreciation is provided on a straight-line basis. The depreciation periods for property and equipment, which approximate the useful lives of such assets are as follows:

	Years
Furniture and fixture	4 - 5

Property and equipment is reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of net selling price and value in use.

Any gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets include licences and computer software (Note 8). Acquired licences and computer software are capitalised on the basis of the costs incurred to acquire and bring to use. These costs are amortised over their estimated useful lives of 3 to 5 years.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.1 Accounting Policies (continued)

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are

allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Bank borrowings

Bank borrowings with fixed or determinable payments and not traded on the market are classified in this category. Bank borrowings are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

TaxationCurrent tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The

Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.1 Accounting Policies (continued)

Taxation (continued)

Deferred income taxes (continued)

temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the

temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities and current tax assets and liabilities are offset if there is a legally enforceable right to do so and if the related income taxes levied by the same taxation authority and if the Company has an intention to pay current tax assets and liabilities net.

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Events After the Reporting Period

Events after the reporting period comprise any event between the balance sheet date and the date of authorization of the financial statements, even if the event after balance sheet date occurred subsequent to an announcement on the Company's profit or following any selected financial information that are released.

In the case of events requiring adjustments, the Company adjusts the amounts recognized in its financial statements to reflect the events.

Provision for employment termination benefits

The provision for employment termination benefits represents the present value of the estimated total provision of the future probable obligation of the Company discounted with appropriate discount rate arising from the retirement of the employees calculated in accordance with the laws and regulations in force in the countries where they are registered.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation or a result of past events, 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 of the obligation can be made.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.1 Accounting Policies (continued)

Provisions (continued)

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Contingent liabilities and contingent assets

A possible obligation or asset that arises from past events and whose existence 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 have not been recognised in these financial statements and treated as contingent liabilities and contingent assets.

Capital and dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Earnings per share

Earnings per share disclosed in the comprehensive income statement has been determined by dividing net profit for the year by weighted average number of shares outstanding.

Statement of cash flows

In statement of cash flow, cash flows are classified as from operating, investment and finance activities. Cash flows from operating activities show cash flows generated from operate in the payment intermediation services. Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Company (tangible and intangible assets and financial assets).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Company and the repayments of these funds.

3.2 Use of Estimates

Preparation of financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during the financial period. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results.

3.3 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.4 Change in Accounting Policies

Changes made in the accounting policies are applied retrospectively and prior year financial statements are restated. There are no changes in the accounting policies of the Company during the period.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.5 Changes in the Accounting Estimates and Errors

If changes in the accounting estimates are related to only one period, they are applied in the current year; if they are related to the future period, they are applied both in current and future periods. If a significant accounting error detected, adjustments are applied retrospectively and prior year financial statements are restated.

Paynet Ödemet Hizmetleri Anonim Şirketi (Turkey)
Notes on Accounts (Contd)
Year Ending 31 december 2015

NOTE-4. CASH AND CASH EQUIVALENTS

Particulars	31.12.2015
(a) Balances with banks	
(i) in deposit accounts	3,38,912.07
(ii) Others	1,22,055.98
Total	4,60,968.04

NOTE 5 - OTHER CURRENT ASSETS

Particulars	31.12.2015
(a) Prepaid expenses	2,976.98
(b) Prepaid Taxes	66.16
(c) Others, Unsecured, considered good	264.62
TOTAL	3307.75

NOTE- 6: PLANT AND EQUIPMENT

Particulars	Land	Furniture & Fixtures	Total
Cost			
As at 01.01.15	-	-	-
Additions	-	10,013.16	10,013.16
Disposals	-	-	-
Translation adjustments	-	307.02	307.02
As at 31.12.15	**-**	**10,320.18**	**10,320.18**
Accumulated Depreciation			
As at 01.01.15	**-**	-	-
Additions	-	2,567.48	2,567.48
Disposals	-	-	-
Translation adjustment	-	78.72	78.72
As at 31.12.15	**-**	**2,646.20**	**2,646.20**
Carrying Amount			
As at 01.01.15	**-**	**-**	**-**
As at 31.12.15	**-**	**7,673.98**	**7,673.98**

Paynet Ödemet Hizmetleri Anonim Şirketi (Turkey)
Notes on Accounts (Contd)
Year Ending 31 december 2015

INTANGIBLE ASSETS:

Particulars	Software
Cost	
As at 01.01.15	**-**
Additions	36,458.17
Disposals	-
Translation adjustment	1,117.87
As at 31.12.15	**37,576.04**
Accumulated Depreciation	**Software**
As at 01.01.15	**-**
Additions	12,002.95
Disposals	-
Translation adjustment	368.03
As at 31.12.15	**12,370.99**
Carrying Amount	**Software**
As at 01.01.15	-
As at 31.12.15	**25,205.06**

NOTE -7 : CURRENT LIABLITIES

Particulars	31.12.2015
Unsecured, others	21,169.60
Total	**21,169.60**

NOTE 8 : SHORT TERM PROVISIONS

Particulars	31.12.2015
(a) Provision - Others:	
Provision For Taxation	15,678.74
Total	**15,678.74**

NOTE : 9 TRADE PAYABLES

Particulars	31.12.2015
(a) Expense Payable	2,63,230.75
(b)Due to related parties	1,786.19
cb) Other Payables	463.09
Total	**2,65,480.02**

Paynet Ödemet Hizmetleri Anonim Şirketi (Turkey)
Notes on Accounts (Contd)
Year Ending 31 december 2015

NOTE : 10 SHARE CAPITAL

Particulars	31.12.2015
Authorised Share capital	**1,32,310.00**

NOTE : 11 RESRVES AND SURPLUS

Particulars	31.12.2015
(a) Profit and Loss Account	
Opening Balance	-
Add: Current year profit	60,656.64
Closing Balance	**60,656.64**
Particulars	**31.12.2015**
(b) Foreign Currency Translation reserve	
Opening balance	--
Adjustments on consolidation	--
Movement during the year	1,859.83
Closing balance	**1,859.83**
Total	**62,516.48**

NOTE : 12

REVENUE FROM OPERTAIONS

Particulars	31-Dec-15
Sales	3,41,923.74
Total	**3,41,923.74**

NOTE :13

OTHER INCOME

Interest- others	12,067.14
Total	**12,067.14**

NOTE : 14

EMPLOYEE BENEFIT EXPENSES:

(i) Salaries and Bonus	35,495.37
Total	**35,495.37**

NOTE : 15

OTHER EXPENSES

Rent	2,952.60
Repairs and Maintenance	5,199.14
Travel	962.80
Professional Charges	1,283.74
Miscellaneous Expenses	6,932.19
Total	**17,330.47**

NOTE : 16

- FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The Company has no interest rate risk as at 31 December 2015 since there are no assets or liabilities with floating interest rate.

i) Cash flow and fair value interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

ii) Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. The Company closely monitors its customers and the risks are monitored by limiting the aggregate risk to any individual counterparty

iii) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under available credit lines.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.In order to maintain or adjust the capital structure, the Company may pay out dividends, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTE : 17

APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the management and authorized for issue on May,24, 2016

Cadensworth International Trading FZE,United Arab Emirates .

Standalone Balance Sheet as at 31 March,2016

	Particulars	Note.No	Amount in ₹ As at 31.3.2016
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	1	18,037.50
	(b) Reserves and surplus	2	(32,100,310.61)
			(32,082,273.11)
2	**Current liabilities**		
	(a) Trade payables	3	75,757.50
	(b) Other current liabilities	4	94,504,234.50
			94,579,992.00
	TOTAL		**62,497,718.89**
B	**ASSETS**		
2	**Current assets**		
	(a) Inventories	5	52,637,645.78
	(b)Trade receivables	6	6,168,554.44
	(c) Cash and cash equivalents	7	2,846,335.54
	(d) Short-term loans and advances	8	845,183.14
			62,497,718.89
	TOTAL		**62,497,718.89**

Cadensworth International Trading FZE,United Arab Emirates .

Stand alone statement of Profit and Loss account for the year ended Marc

Amount in ₹

Particulars	Note.No	31st March,2016
		2015-16
Income		
Revenue from operations	9	49,823,554.49
Other income	10	45,799.90
Total Revenue		**49,869,354.39**
Expenses:		
Cost of Materials consumed		
Purchases of trading stock		128,338,805.37
Changes in inventories of trading stock		(49,653,751.51)
Employee benefits	11	161,608.47
Other expenses	12	3,150,191.67
Total expenses		**81,996,853.99**
Profit before tax		**(32,127,499.60)**
Profit before extraordinary items and tax		**(32,127,499.60)**
Profit before tax		**(32,127,499.60)**
Tax expense:		
Current tax		-
Profit after Tax		**(32,127,499.60)**
Profit for the Year		(32,127,499.60)
Earnings per equity share:		
Basic		
Diluted		
See accompanying notes forming part of Profit and loss statement		

Cadensworth International Trading FZE,United Arab Emirates .

Cash Flow Statement for the year ended March 31, 2016

Particulars	Year Ended March 31, 2016	
Cash flow from operating activities:		
Net Profit before taxation	**(32,127,499.60)**	
Adjustments for:		
Operating Profit before working capital changes	**(32,127,499.60)**	
Increase in Trade receivables	(6,168,554.44)	
(Increase)/Decrease in Loans & advances and Other current assets	(845,183.14)	
Increase in Inventories	(52,637,645.78)	
Increase in Trade Payables, Other Current Liabilities & Provisions	94,579,992.00	
Cash generated from operations	**2,801,109.05**	
Net Cash (used in) / generated from operating activities		**2,801,109.05**
Cash flow from investing activities:		
Proceeds from issue of share capital	18,037.50	
Net Cash generated from financing activities		**18,037.50**
Net (decrease) / increase in cash and cash equivalents		**2,819,146.55**
Cash and cash equivalents at the beginning of the year		-
Currency Translation Adjustment		27,188.99
Cash and cash equivalents at the end of the year		**2,846,335.54**

Cadensworth International Trading FZE, United Arab Emirates .

FINANCIAL STATEMENTS

31 MARCH 2016

Cadensworth International Trading FZE, United Arab Emirates .

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2016

1. **Share Capital:**

Amount in ₹

Particulars	**31-Mar-16**
Issued, Subscribed and Paid up capital	18,037.50

2. **Reserves and Surplus:**

Amount in ₹

Particulars	
(a) Profit and Loss Account	**31-Mar-16**
Opening Balance	-
Add: Current year profit	(321,27,499.60)
Closing Balance	**(321,27,499.60)**
(b) Foreign Currency Translation reserve	
Opening balance	-
Movement during the year	27,188.99
Closing balance	**27,188.99**
Total	**(321,00,310.61)**

3. **Trade Payables**

Amount in ₹

Particulars	**31-Mar-16**
(a) Expense Payable	75,757.50
Total	**75,757.50**

4. **Other Current Liabilities:**

Amount in ₹

Particulars	**31-Mar-16**
Others	945,04,234.50
Total	**945,04,234.50**

5. **Inventories.**

Inventories	
Particulars	**31-Mar-16**
Trading Stocks	526,37,645.78
Total	**526,37,645.78**

6. **Trade Receivables:**

Amount in ₹

Particulars	31-Mar-16
Unsecured, considered good	61,68,554.44
Total	**61,68,554.44**

7. **Cash and Cash Equivalents:**

Amount in ₹

Particulars	31-Mar-16
(a) Cash on hand	15,41,917.65
(b) Balances with banks	13,04,417.89
Total	**28,46,335.54**

8. **Short term Loans and Advances**

Short-term loans and advances	31-Mar-16
(a) Prepaid expenses	7,18,469.70
(b) Others	1,26,713.44
Total	**8,45,183.14**

9. **Revenue from Operations:**

Amount in ₹

Particulars	31-Mar-16
(i)Sales	498,23,554.49
Total	**498,23,554.49**

10. Other income

Particulars	31-Mar-16
(c) Other non operating income	45,799.90
Total	**45,799.90**

11. Employee Cost

Particulars	31-Mar-16
(i)Salaries and Bonus	1,61,608.47
Total	**1,61,608.47**

12. Other Expenses:

Amount in ₹

Particulars	31-Mar-16
Rent	20,43,177.28
Freight	1,19,401.07
Repairs and Maintenance	84,125.94
Communication	2,28,548.17
Printing and Stationery	62,570.93
Advertisement	1,13,732.50
Auditor's Remuneration	3,65,388.22
Bank Charges	3,736.93
Miscellaneous Expenses	1,29,510.63
Total	31,50,191.67

RNDC Alliance West Africa Limited,Nigeria

Standalone Balance Sheet as at 31 March,2016

			Amount in ₹ INR
	Particulars	**Note.No**	**As at**
			31.3.2016
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	3	3,315,340,000.00
	(b) Reserves and surplus	4	3,311,862,814.76
			6,627,202,814.76
2	**Current liabilities**		
	(a) Trade payables	5	444,884,911,492.00
			444,884,911,492.00
	TOTAL		**451,512,114,746.58**
B	**ASSETS**		
1	**Non-current assets**		
	Fixed assets-Tangible assets	9	10,445,419,160.40
	(ii)Intangible assets		-
			10,445,419,160.40
2	**Current assets**		
	(a) Inventories	10	278,051,566,064.19
	(b)Trade receivables	11	83,084,621,519.20
	(c) Cash and cash equivalents	12	79,780,568,002.80
	(d) Short-term loans and advances	13	149,940,000.00
			441,066,695,586.19
	TOTAL		**451,512,114,746.59**

RNDC Alliance West Africa Limited,Nigeria

Stand alone statement of Profit and Loss account for the year ended March 31, 2016

Amount in ₹

Particulars	Note.No	March 31,2016 2015-16
Income		
Revenue from operations	14	138,428,576,060.37
Other income	15	-
Total Revenue		**138,428,576,060.37**
Expenses:		
Cost of Materials consumed		
Purchases of trading stock		133,682,626,856.16
Changes in inventories of trading stock		(278,051,566.20)
Employee benefits	16	-
Finance costs		-
Depreciation & Amortisation	9	-
Other expenses	17	1,672,180,907.28
Total expenses		**135,076,756,197.24**
Profit before tax		**3,351,819,863.13**
Exceptional items		
Profit before extraordinary items and tax		**3,351,819,863.13**
Extraordinary Items		
Profit before tax		**3,351,819,863.13**
Tax expense:		
Current tax		
Profit after Tax		3,351,819,863.13
Profit for the Year		**3,351,819,863.13**
Earnings per equity share:		
Basic		
Diluted		
See accompanying notes forming statement of Profit and loss		

RNDC Alliance West Africa Limited,Nigeria
Cash Flow Statement for the year ended March 31, 2016

Particulars	Year Ended March 31, 2016	
Cash flow from operating activities:		
Net Profit before taxation	**3,351,819,863.13**	
Adjustments for:		
- Depreciation	-	
Operating Profit before working capital changes	**3,351,819,863.13**	
Decrease in Trade receivables	(83,084,621,519.20)	
(Increase)/Decrease in Loans & advances and Other current assets	(149,940,000.00)	
(Increase)/ Decrease in Inventories	(278,051,566,064.19)	
Increase/(Decrease) in Trade Payables, Other Current Liabilities & Provisions	444,884,911,492.00	
Cash generated from operations	**86,950,603,771.74**	
Direct taxes paid	-	
Net Cash (used in) / generated from operating activities		**86,950,603,771.74**
Cash flow from investing activities:		
Purchase of fixed assets	(10,571,441,324.34)	
Net Cash used in investing activities		**(10,571,441,324.34)**
Cash flow from financing activities:		
Net Cash generated from financing activities		**-**
Net (decrease) / increase in cash and cash equivalents		**76,379,162,447.40**
Cash and cash equivalents at the beginning of the year		
Currency Translation Adjustment		3,401,405,555.39
Cash and cash equivalents at the end of the year		**79,780,568,002.80**

RNDC Alliance West Africa Limited,Nigeria

FINANCIAL STATEMENTS
31 MARCH, 2016

1. Share Capital :

₹ in Lakhs

Particulars	31-Mar-16
Issued, Subscribed and Paid up capital	33153,40,000.00

2. Reserves and Surplus:

₹ in Lakhs

Particulars	31-Mar-16
(a) Profit and Loss Account	-
Opening Balance	33518,19,863.13
Add: Current year profit	33518,19,863.13
Closing Balance	
(b) Foreign Currency Translation reserve	**31-Mar-16**
Opening balance	-
Movement during the year	(399,57,048.37)
Closing balance	(399,57,048.37)
Total	**33118,62,814.76**

3. Trade Payables:

₹ in Lakhs

Particulars	31-Mar-16
(a) Expense Payable	16143,18,014.40
(b) Due to related parties	4409471,43,896.00
(c) Other Payables	23234,49,581.60
Total	**4448849,11,492.00**

4. Inventories:

Particulars	31-Mar-16
Trading Stocks	2780515,66,064.19
Total	2780515,66,064.19

5. Trade Receivables:

? in Lakhs

Particulars	**31-Mar-16**
Trade receivables	830846,21,519.20
Total	**830846,21,519.20**

6. Cash and Cash Equivalents:

? in Lakhs

Particulars	**31-Mar-16**
(a) Balances with banks	797805,68,002.80
Total	**797805,68,002.80**

7. Short-term Loans and Advances:

? in Lakhs

Particulars	**31-Mar-16**
(a) Prepaid taxes	1499,40,000.00
Total	**1499,40,000.00**

8. Fixed assets

Particulars	**Furniture & Fixtures**	**Office equipments**	**Motor Vehicles**	**Total**
Cost				
As at 01.04.15	-	-	-	-
Additions	63,59,732.05	3,67,401.19	38,44,308.00	105,71,441.24
Translation adjustments	(75,814.37)	(4,379.79)	(45,828.00)	(1,26,022.16)
As at 31.03.16	**62,83,917.68**	**3,63,021.40**	**37,98,480.00**	**104,45,419.08**
Accumulated Depreciation				
As at 01.04.15	-	-	-	-

Additions	-	-	-	-
Translation adjustment	-	-	-	-
As at 31.03.16	**-**	**-**	**-**	**-**
Carrying Amount				
As at 01.04.15	**-**	**-**	**-**	**-**
As at 31.03.16	**62,83,917.68**	**3,63,021.40**	**37,98,480.00**	**104,45,419.08**

9. Revenue from Operations: **₹ in Lakhs**

Particulars	**31-Mar-16**
Sales	1384285,76,060.37
Total	**1384285,76,060.37**

10. Other Expenses **₹ in Lakhs**

Particulars	**31-Mar-16**
Rent	9323,76,880.24
Bank Charges	383,87,101.48
Distribution expenses	7014,16,925.56
Total	**16721,80,907.28**

Link Plus Bilgisayar Sistemleri Sanayi Ve Ticaret AS

Standalone Balance Sheet as at 31 December 2015

			Amount in ₹ INR
	Particulars	**Note.No**	**As at 31.12.15**
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	1	22,673,681.32
	(b) Reserves and surplus	2	276,769,601.44
			299,443,282.77
2	**Non-current liabilities**		
	(c)Other Long term liabilities	4	68,283,809.27
			68,283,809.27
2	**Current liabilities**		
	(a) Trade payables	3	1,070,899,962.42
	(c) Short-term provisions	5	35,125,137.49
			1,106,025,099.91
	TOTAL		**1,473,752,214.61**
B	**ASSETS**		
1	**Non-current assets**		
	Fixed assets-Tangible assets		16,863,233.05
	(ii)Intangible assets		277,888.64
	(c)Deferred tax assets (net)	6	540,744.63
			17,681,866.32
2	**Current assets**		
	(a) Inventories	7	32,789,839.01
	(b)Trade receivables	8	1,415,215,254.11
	(c) Cash and cash equivalents	9	7,829,925.05
	(d) Short-term loans and advances	10	235,307.46
			1,456,070,325.62
	TOTAL		**1,473,752,214.61**

e accompanying notes forming part of Balance Sheet

Link Plus Bilgisayar Sistemleri Sanayi Ve Ticaret AS

Stand alone statement of Profit and Loss account for the year ended December 31, 2015

Amount in ₹

Particulars	Note.No	December 31,2015 2014-15
Income		
Revenue from operations	10	743,524,348.59
Other income	11	936,189.81
Total Revenue		**744,460,538.40**
Expenses:		
Cost of Materials consumed		
Purchases of trading stock		721,078,870.41
Changes in inventories of trading stock		(32,789,839.01)
Finance costs	12	4,034,527.19
Other expenses	13	13,751,989.28
Total expenses		**706,075,547.89**
Profit before tax		**38,384,990.51**
Exceptional items		-
Profit before extraordinary items and tax		**38,384,990.51**
Extraordinary Items		-
Profit before tax		**38,384,990.51**
Tax expense:		
Current tax		7,671,766.64
Profit after Tax		30,713,223.87
Profit for the Year		**30,713,223.87**
Earnings per equity share:		
Basic		
Diluted		
See accompanying notes forming statement of Profit and loss		

Link Plus Bilgisayar Sistemleri Sanayi Ve Ticaret AS

Cash Flow Statement for the year ended December 31, 2015

Particulars	Year Ended December 31, 2015	
Cash flow from operating activities:		
Net Profit before taxation	**38,384,990.51**	
Adjustments for:		
- Depreciation	-	
Operating Profit before working capital changes	**38,384,990.51**	
Decrease in Trade receivables	(1,415,215,254.11)	
(Increase)/Decrease in Loans & advances and Other current assets	(776,052.09)	
(Increase)/ Decrease in Inventories	(32,789,839.01)	
Increase/(Decrease) in Trade Payables, Other Current Liabilities & Provisions	1,174,308,909.17	
Cash generated from operations	**(236,087,245.52)**	
Direct taxes paid	(7,671,766.64)	
Net Cash (used in) / generated from operating activities		**(243,759,012.16)**
Cash flow from investing activities:		
Purchase of fixed assets	(17,141,121.69)	
Net Cash used in investing activities		**(17,141,121.69)**
Cash flow from financing activities:		
Proceeds from issue of share capital	22,673,681.32	
Net Cash generated from financing activities		**22,673,681.32**
Net (decrease) / increase in cash and cash equivalents		**(238,226,452.53)**
Cash and cash equivalents at the beginning of the year		**-**
Currency Translation Adjustment		246,056,377.57
Cash and cash equivalents at the end of the year		**7,829,925.04**

Link Plus Bilgisayar Sistemleri Sanayi Ve Ticaret AS

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 December 2015

Link Plus Bilgisayar Sistemleri Sanayi Ve Ticaret AS
Notes to Accounts for the year ended 31-12-15

1. Share Capital:

Amount in ₹

Particulars	**31-Dec-15**
Issued, Subscribed and Paid up capital	226,73,681.32

2. Reserves and Surplus:

Amount in ₹

Reserves and Surplus	
(a) Profit and Loss Account	
Particulars	**31-Dec-15**
Opening Balance	2888,81,264.05
Add: Current year profit	307,13,223.87
Closing Balance	**3195,94,487.92**
(b) Employee share purchase reserve	
Opening Balance	
Movement during the year	50,14,573.13
CTA	(2,15,779.18)
Closing balance	**47,98,793.96**
(c) Foreign Currency Translation reserve	
Movement during the year	(476,23,680.43)
Closing balance	**(476,23,680.43)**
Total	**2767,69,601.44**

3. Trade Payables:

Amount in ₹

Particulars	**31-Dec-15**
(a) Trade Payable	10708,99,962.42
Total	**10708,99,962.42**

4. Other Long Term Liabilities:

Amount in ₹

Particulars	**31-Dec-15**
Others	682,83,809.27
Total	**682,83,809.27**

5. Short-term Provisions:

Particulars	31-Dec-15
Provision for Gratuity	70,27,140.68
Provision For Taxation	280,97,996.80
Total	**351,25,137.49**

6. Deferred Tax Asset

Deferred Tax assets	31-Dec-15
Net Deferred Tax Asset	5,40,744.63

7. Inventories:

Amount in ₹

Particulars	31-Dec-15
Trading Stocks	327,89,839.01

8. Trade Receivables:

Amount in ₹

Particulars	31-Dec-15
Unsecured, considered good	14152,15,254.11
Total	**14152,15,254.11**

9. Cash and Cash Equivalents:

Amount in ₹

Particulars	31-Dec-15
(a) Cash and cash Equivalents	78,29,925.05
Total	**78,29,925.05**

10. Short Term Loans and Advances

Particulars	31-Dec-15
Other Receivables	2,35,307.46
Total	**2,35,307.46**

10. Revenue from operations:

Amount in ₹

Particulars	31-Dec-15
(i)Sales	7435,24,348.59
Total	**7435,24,348.59**

11.Other income:

Amount in ₹

Particulars	31-Dec-15
(a) Exchange gain	9,36,189.81
Total	**9,36,189.81**

12. Finance Costs:

Amount in ₹

Particulars	31-Dec-15
(i) Interest Expenses	40,34,527.19
Total	**40,34,527.19**

13. Other Expenses:

Amount in ₹

Particulars	31-Dec-15
Advertisement	50,96,314.71
Miscellaneous Expenses	86,55,674.58
Total	**137,51,989.28**