CADENSWORTH
Catalyst to New Possibilities

Cadensworth (India) Limited
Balance Sheet as at March 31, 2017

(₹ in Lakhs)

Particulars	Note Ref	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets				
Non-Current Assets				
Property, Plant and Equipment	3	85.13	178.88	213.16
Intangible assets	4	0.22	0.22	0.43
Other Financial Assets:				
Lease Receivable	5	4.50	67.30	61.46
Income Taxes (Net)	6	88.69	-	-
Deferred Tax Assets	7	222.69	136.99	59.08
Other Non Current Assets	8	1.52	2.52	1.80
Total Non-Current assets		**402.75**	**385.91**	**335.93**
Current Assets				
Inventories	9	3,755.95	8,270.22	12,533.74
Financial Assets:				
Trade receivables	10	8,997.67	17,591.73	20,384.26
Cash and bank balances	11	663.55	800.61	631.30
Other Current Assets	12	379.04	326.64	712.11
Total Current assets		**13,796.21**	**26,989.20**	**34,261.41**
Total Assets		**14,198.96**	**27,375.11**	**34,597.34**
Equity and liabilities				
Equity				
Share Capital	13	130.13	130.13	130.13
Other Equity	14	6,825.61	6,215.98	4,668.09
Total Equity		**6,955.74**	**6,346.11**	**4,798.22**
Non-Current Liabilities				
Provisions	15	11.34	35.38	54.29
Income Taxes (Net)	16	-	251.63	47.08
Total Non-current Liabilities		**11.34**	**287.01**	**101.37**
Current Liabilities				
Financial Liabilities:				
Borrowings	17	944.94	4,392.15	9,133.47
Trade payables	18	5,085.49	15,323.91	18,989.98
Other Financial Liabilities	19	2.37	16.08	56.70
Provisions	20	0.43	2.12	1.90
Other Current Liabilities	21	1,198.65	1,007.73	1,515.70
Total Current Liabilities		**7,231.88**	**20,741.99**	**29,697.75**
Total Equity and Liabilities		**14,198.96**	**27,375.11**	**34,597.34**

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 Varadarajan
Partner
Membership Number: 018899

Place : Chennai
Date : May 4, 2017

For and on behalf of the Board of Directors

E.H. Kasturi Rangan
Director
DIN: 01814089

P.S. Neogi
Director
DIN: 01816223

Place : Mahabalipuram
Date : May 4, 2017

CADENSWORTH
Catalyst to New Possibilities

Cadensworth (India) Limited
Statement of Profit and Loss for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2017	Year Ended March 31, 2016
Revenue from Operations	22	32,752.22	70,074.47
Other Income	23	83.72	163.77
Total Income		**32,835.94**	**70,238.24**
Expenses			
Purchases of Traded goods		24,666.82	60,401.57
Changes in Inventories of Traded goods		4,514.27	4,263.52
Employee benefits expense	24	520.66	1,152.51
Finance Costs	25	184.76	483.18
Depreciation and amortisation expense	3 & 4	51.73	66.59
Other expenses	26	1,368.72	1,505.56
Total expenses		**31,306.96**	**67,872.93**
Profit before tax		**1,528.98**	**2,365.31**
Tax expense:			
Current tax		640.00	910.04
Deferred tax		(89.45)	(77.90)
Profit for the year (A)		**978.43**	**1,533.17**
Items that may be reclassified to Profit or loss			
Remeasurements of the defined benefits plan (Net of Taxes)		7.09	14.56
Total Other comprehensive Income (B)		**7.09**	**14.56**
Total Comprehensive Income (A+B)		**985.52**	**1,547.73**
Earnings per Equity Share: (Face value ₹ 10 each)			
Basic (in ₹)	**35**	**75.19**	**117.82**
Diluted (in ₹)	**35**	**75.19**	**117.82**

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 Varadarajan
Partner
Membership Number: 018899

Place : Chennai
Date : May 4, 2017

For and on behalf of the Board of Directors

E.H. Kasturi Rangan
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P.S. Neogi
Director
DIN: 01816223

Place : Mahabalipuram
Date : May 4, 2017

Cadensworth (India) Limited
Registered office: SPL Guindy House, 95, Mount Road, Guindy, Chennai-600032.
Website: www.cadensworth.com
CIN:U52392TN2002PLC050014
Board No: +91-44-42243353
Fax No: +91-44-22253799

Catalyst to New Possibilities

Part I

Statement of Standalone financial results for the Quarter/ year ended March 31, 2017 (₹ in Lakhs)

Particulars	3 Months Ended			12 Months Ended	
	Unaudited			Audited	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
Revenue from operations	7,846.45	6,768.29	17,609.11	32,752.22	70,074.47
Other income	34.07	20.96	73.44	83.72	163.77
Total Income	**7,880.52**	**6,789.25**	**17,682.55**	**32,835.94**	**70,238.24**
Expenses					
(a) Purchase of traded goods	5,423.31	4,889.13	15,069.40	24,666.82	60,401.57
(b) Changes in Inventories of Traded goods	1,542.80	1,023.60	1,246.19	4,514.27	4,263.52
(c) Employee benefits expense	114.59	98.39	259.00	520.66	1,152.51
(d) Finance costs	36.79	44.05	95.38	184.76	483.18
(e) Depreciation and amortisation expense	10.21	11.86	19.63	51.73	66.59
(f) Other expenses	500.50	244.50	363.85	1,368.72	1,505.56
Total Expenses	**7,628.20**	**6,311.53**	**17,053.45**	**31,306.96**	**67,872.93**
Profit before tax	**252.32**	**477.72**	**629.10**	**1,528.98**	**2,365.31**
Tax Expense					
Current tax	66.46	221.04	234.64	640.00	910.04
Deferred tax	35.91	(51.59)	(5.45)	(89.45)	(77.90)
Profit for the period (A)	**149.95**	**308.27**	**399.91**	**978.43**	**1,533.17**
Other Comprehensive Income					
Items that will not be reclassifed to Profit or loss					
Remeasurements of the defined benefit plans (net of tax)	(0.25)	14.13	1.85	7.09	14.56
Items that may be reclassifed to Profit or loss					
Foreign currency translation adjustment				-	-
Total other comprehensive income (B)	**(0.25)**	**14.13**	**1.85**	**7.09**	**14.56**
Total Comprehensive Income (A+B)	**149.70**	**322.40**	**401.76**	**985.52**	**1,547.73**
Paid up equity share capital (Face Value - Rs. 10/- per share)	130.13	130.13	130.13	130.13	130.13
Reserves as per Balance sheet				6,825.61	6,215.98
Earnings per share (Face Value - Rs. 10/- per share) (not annualized for the quarters)					
Basic & Diluted (in ₹)	11.52	23.69	30.73	75.19	117.82

Cadensworth (India) Limited

CADENSWORTH
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Cash Flow Statement for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Cash flow from operating activities:		
Profit for the year after tax	978.43	1,533.17
Adjustments for:		
- Income tax expense recognised in profit and loss	550.55	832.13
- Depreciation	51.73	66.59
- Allocation for Corporate Social Responsibility Expenditure	-	31.40
- Unrealised foreign exchange variation (net)	121.51	(28.73)
- Interest expense	184.76	483.18
- Interest income	(25.89)	(93.75)
- Income from short term investments	(15.29)	-
- Provision for Gratuity	1.56	(3.72)
- Provision for Leave encashment	1.87	0.49
- Provision for Doubtful Debts	576.06	222.18
- Profit on Sale of Fixed Assets	(10.20)	(0.17)
	1,436.66	**1,509.60**
Operating Profit before working capital changes	**2,415.09**	**3,042.78**
Decrease in Sundry Debtors	8,018.01	2,570.35
Decrease in Loans & Advances	907.82	1,202.20
Decrease in Inventories	4,514.27	4,263.52
Decrease in liabilities	(11,073.95)	(4,887.42)
Cash generated from operations	**4,781.24**	**6,191.43**
Direct taxes Paid (incl. TDS Receivables)	(980.32)	(817.08)
Net Cash generated from operating activities	**3,800.92**	**5,374.35**
Cash flow from investing activities:		
Capital expenditure	(4.12)	(36.96)
Proceeds from Sale of Fixed Assets	56.35	5.02
Bank Deposits settled (net)	13.30	9,231.27
Interest Received	16.06	87.54
Income received from short term investments	15.29	-
Net Cash generated from investing activities	**96.88**	**115.04**
Cash flow from financing activities:		
Repayment of borrowings (net)	(3,447.21)	(26,839.03)
Interest paid	(198.47)	(519.30)
Dividend paid	(375.89)	-
Net Cash used in financing activities	**(4,021.57)**	**(5,260.63)**
Net (decrease) / increase in cash and bank balances	(123.77)	228.76
Cash and bank balances at the beginning of the year	782.31	553.55
Cash and bank balances at the end of the year	**658.54**	**782.31**
Reconciliation of cash and bank balances		
Cash and Bank balances at the end of the period as per Balance Sheet	663.55	800.61
Less: Bank deposits	5.01	18.30
Cash and Bank balances at the end of the year	**658.54**	**782.31**

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

For and on behalf of the Board of Directors

A S Varadarajan
Partner
Membership Number: 018899

Place : Chennai
Date : May 4, 2017

E.H. Kasturi Rangan
Director
DIN: 01814089

P.S. Neogi
Director
DIN: 01816223

Place : Mahabalipuram
Date : May 4, 2017

CADENSWORTH
Catalyst to New Possibilities

Cadensworth (India) Limited

Statement of Changes in Equity as On March 31, 2017

(₹ in Lakhs)

Particulars	Share Capital	Securities Premium	Retirement Benefit Obligation Reserve	Surplus in the Statement of Profit and Loss	Total
Balance as at April 1, 2016	130.13	482.07	14.56	5,719.35	6,346.11
Profit for the year	-	-	7.09	978.43	985.52
Equity dividend Paid during the year	-	-	-	(312.31)	(312.31)
Dividend Distribution Tax on Dividend	-	-	-	(63.58)	(63.58)
Balance as at March 31, 2017	**130.13**	**482.07**	**21.65**	**6,321.89**	**6,955.74**
Balance as at April 1, 2015	130.13	482.07	-	4,186.02	4,798.22
Hedge reserve transfer	-	-	-	0.16	0.16
Profit for the year	-	-	14.56	1,533.17	1,547.73
Balance as at March 31, 2016	**130.13**	**482.07**	**14.56**	**5,719.35**	**6,346.11**

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

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Partner
Membership Number: 018899

Place : Chennai
Date : May 4, 2017

For and on behalf of the Board of Directors

E.H. Kasturi Rangan
Director
DIN: 01814089

R.S. Neogi
Director
DIN: 01816223

Place : Mahabalipuram
Date : May 4, 2017

Notes to financial statements for the Year Ended March 31, 2017

1. Company Overview

Cadensworth (India) Limited ("the Company"), 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 operates in the Information Technology product distribution business and after sales services of Information Technology products.

2. Basis of preparation of financial statements

2.1 The financial statements of the Company have been prepared in accordance with the Indian Accounting Standard (Ind AS) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements for the year ended March 31, 2017 are the first financial statements prepared by the company in accordance with Ind AS. Refer Note No.41 for adoption of Ind AS by the Company

The financial statements have been prepared on accrual basis under the historical cost convention except for

- Derivative financial instruments and certain financial instruments which are measured at fair value at the end of each reporting period (Refer "Note q" on accounting policy regarding financial instruments).

- Lease deposits, the initial fair value of which is estimated at the present value of the deposit, discounted using the prevailing market rate of Government securities. The difference between the initial fair value and the refundable amount of the deposit is recognized as lease rent over the lease period.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, except in the case of first time adoption to Ind AS.

2.2 Summary of Significant Accounting Policies

a. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent assets and contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

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b. Property, Plant and Equipment:

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and impairment losses, if any. Cost comprises of purchase price and other directly attributable cost of bringing the assets to its working condition for the intended use. 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 Company and the cost of the item can be measured reliably.

Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net proceeds from disposal/net realisable value and carrying amount of the asset and are recognised in the Statement of Profit and Loss. All other repairs and maintenance are charged to profit or loss as and when incurred

Depreciation on Property, Plant and Equipment:

1. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

2. Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or technical estimate made by the Company, whichever is lower

Class of Asset	**Years**
Plant & Equipment	5
Furniture & Fixtures	4
Office Equipments	5
Computers	3
Vehicles	5

3. Depreciation on additions is provided from the month of addition.

4. Individual assets whose cost does not exceed ₹ 5,000/- are fully depreciated in the year of addition.

5. Expenditure on Interiors on premises taken on lease (included in furniture & fixtures) are capitalized and depreciated over a period of five years.

c. Intangible assets

1. Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any.

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2. Intangible assets are amortized on straight line basis over a period of three years.

3. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

4. An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the statement of profit and loss when the asset is de-recognized.

d. Impairment of Intangible Assets and Property, Plant and Equipment:

At each Balance Sheet date, the Company assesses whether there is any indication that an asset with finite lives may be impaired. If there is any indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment if any.The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of cash-generating unit to which the asset belongs.

e. Leases

Leases, where the lessor effectively retains substantially all the risks and rewards incidental to ownership of the leased item are classified as operating leases. Lease Rentals under operating leases are recognised in the Statement of Profit and Loss.

f. Inventories

Inventories are stated at lower of cost and the net realizable value. Costs includes cost of purchase and other costs incurred in bringing the inventories to the present location and conditions, net of discounts and rebates and is determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and the costs necessary to make the sale

g. 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 on 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 considered 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

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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 recognized as income or as expense in the period in which such cancellation or renewal is made.

h. Warranties

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

i. Revenue Recognition

1. Revenue from Sales is recognized when the significant risks and rewards of ownership and title is transferred which generally coincides with delivery. While recognizing revenue, management has considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and in particular whether the Company had transferred the risks and rewards of ownership of the goods and whether it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue from sales is stated net of discounts, rebates and sales tax.
2. Service Income is recognized when services are rendered. Income from Warranty and Maintenance Contracts is recognized as per the terms of contract.
3. Income from supplier schemes is accrued, based on fulfillment of terms of such programs.

j. Other Income

1. Income from short term investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.
2. 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 recognized only when there is a certainty of receipt.

k. Employee Benefits

1. Short-term Employee Benefits

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

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2. Long-term Employee Benefits

Defined Benefit Plan

Compensated Absences & Gratuity

The liability for Gratuity and long term compensated absences, both unfunded, 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 the balance sheet through Other Comprehensive Income for the period in which they occur. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees upto the reporting date.

Defined Contribution Plan

Contribution under statutory laws relating to employee benefits, including Provident Fund and Employee State Insurance, is made in accordance with the respective rules and is charged to the Statement of Profit and Loss as and when services are rendered by the employees.

l. Current and deferred tax

i. Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit for the year.

ii. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates under the provisions of the Income Tax Act, 1961.

iii 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, are recognised and carried forward only to the extent that the company has sufficient taxable temporary differences will be available.

iv. Tax on distribution of dividend is based on the provisions of Income Tax Act, 1961 and disclosed as appropriation in Other Equity in the Balance Sheet.

m. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present 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 a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for

i. Possible obligation that arises from past events and whose existence will be

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

confirmed only by the occurrence or non-occurrence of one or more uncertain 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 embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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 Company.

n. Cash and bank balances

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.

o Cash flow statement

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the nature of transaction.

p. Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

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

q. Derivative Financial instruments

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. Forward contracts are initially recognised at transaction value on the date a contract is entered into and are subsequently re-measured to Mark to Market (MTM) at each reporting date. The resulting gain or loss is recognised in the statement of profit and loss.

r. Dividend distribution to Equity shareholders

Dividend to Equity shareholders is recognised as distribution to owners of capital in the period in which it is approved in the Annual General Meeting.

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CHENNAI
600 028
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s. Fair value measurement:

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 time of measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

t. 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 recognised immediately in profit or loss

i. Financial assets:

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL)/financial assets at amortized cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.'.

Financial assets other than trade receivables and the assets carried at amortised cost 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 trade receivables, impairment is provided for based on 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 trade receivables.

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.

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the company has transferred all the risks & rewards or control of the asset which resulted in transfer of rights to receive cash flows from the assets

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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 statement of profit and loss.

ii. 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 if any.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or financial liabilities carried at amortized cost and are recognized at fair value at the time of initial recognition and are subsequently measured at amortized cost using the effective interest rate method.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is designated as a financial liability at FVTPL.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held -for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under finance costs.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognized in profit or loss.

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

3.Property Plant & Equipment

₹ in Lakhs

Particulars	Leasehold Improvements	Plant and machinery	Office equipments	Furniture and fixtures	Computers	Vehicles	Total
Deemed cost							
Balance at 1 April 2015	29.28	53.84	31.29	7.83	39.07	51.85	213.16
Additions	-	-	-	0.06	13.28	23.62	36.96
Disposals	(0.01)	(3.80)	(0.01)	(0.09)	(0.56)	(4.74)	(9.21)
Balance at 31 March 2016	**29.27**	**50.04**	**31.28**	**7.80**	**51.79**	**70.73**	**240.91**
Additions	-	-	-	-	4.12	-	4.12
Disposals	(22.94)	(23.98)	(3.69)	(2.47)	(29.92)	(7.55)	(90.55)
Balance at 31 March 2017	**6.33**	**26.06**	**27.59**	**5.33**	**25.99**	**63.18**	**154.48**
Accumulated depreciation							
Balance at 1 April 2015	-	-	-	-	-	-	-
Additions	5.36	13.25	8.25	3.42	21.38	14.72	66.38
Disposals	(0.01)	(3.76)	(0.01)	(0.04)	(0.08)	(0.45)	(4.35)
Balance at 31 March 2016	**5.35**	**9.49**	**8.24**	**3.38**	**21.30**	**14.27**	**62.03**
Additions	4.90	9.38	7.34	1.85	13.76	14.50	51.73
Disposals	(9.47)	(11.20)	(1.90)	(1.51)	(17.01)	(3.32)	(44.41)
Balance at 31 March 2017	**0.78**	**7.67**	**13.68**	**3.72**	**18.05**	**25.45**	**69.35**
Carring amount (Net)							
As at 1 April 2015	29.28	53.84	31.29	7.83	39.07	51.85	213.16
As at 31 March 2016	23.92	40.55	23.04	4.42	30.49	56.46	178.88
As at 31 March 2017	**5.55**	**18.39**	**13.91**	**1.61**	**7.94**	**37.73**	**85.13**

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4. Intangible Assets:

₹ in Lakhs

Deemed cost	**Amount**
Balance at 1 April 2015	**0.43**
Additions	-
Disposals	-
Balance at 31 March 2016	**0.43**
Additions	-
Disposals	-
Balance at 31 March 2017	**0.43**
Accumulated amortisation	
Balance at 1 April 2015	-
Additions	**0.21**
Disposals	-
Balance at 31 March 2016	**0.21**
Additions	-
Disposals	-
Balance at 31 March 2017	**0.21**
Carring amount (Net)	
As at 1 April 2015	0.43
As at 31 March 2016	0.22
As at 31 March 2017	**0.22**

Depreciation and Amortisation:

Category	**2016-17**	**2015-16**
Property, plant and equipment	51.73	66.38
Intangible Assets	-	0.21
Total	**51.73**	**66.59**

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5. Other Financial Assets:

₹ in Lakhs

Particulars	31-Mar-2017	31-Mar-2016	1-Apr-2015
Lease Receivable	4.50	67.30	61.46

6. Income taxes (Net)

₹ in Lakhs

Particulars	31-Mar-2017	31-Mar-2016	1-Apr-2015
Income tax paid (Net of Provisions)	88.69	Nil	Nil

Movement in Income Tax

Particulars	31-Mar-2017	31-Mar-2016	1-Apr-2015
Balance at the beginning of the year	**(251.63)**	**(47.08)**	**(1.01)**
Add: Taxes paid (Net of Refunds)	980.32	705.49	**667.93**
Less: Provision during the year	640.00	910.04	**714.00**
Balance at the end of the year	**88.69**	**(251.63)**	**(47.08)**

7. Deferred Tax (net)

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i. **Deferred Tax Assets:**			
Provision for Doubtful debts	182.37	86.60	9.53
Provision for Gratuity	4.82	16.94	17.41
Provision for Compensated absences	0.55	1.31	1.69
Depreciation	34.95	32.14	30.45
Total	**222.68**	**136.99**	**59.08**

Movement in Deferred Tax:

Particulars	Balance as on April 1, 2016	Recognised in the statement of profit and loss	Recognised in the other comprehensive income	Balance as on March 31, 2017
Deferred Tax Assets				
Provision for doubtful debts	86.60	95.77		182.37
Provision for Gratuity	16.94	(8.13)	(3.99)	4.82
Provision for Compensated absences	1.31	(1.00)	0.24	0.55
Depreciation	32.14	2.81		34.95
Total	**136.99**	**89.45**	**(3.75)**	**222.69**

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8.Other Non-Current Assets:

₹ in Lakhs

Particulars	31-Mar-2017	31-Mar-2016	01-Apr-2015
Unsecured & Considered Good			
Deposits	1.52	2.52	1.80
Total	**1.52**	**2.52**	**1.80**

9. Inventories:

₹ in Lakhs

Particulars	31-Mar-2017	31-Mar-2016	01-Apr-2015
Trading stocks	2,544.42	4,358.32	5,429.83
Goods In Transit	1,211.53	3,911.90	7,103.13
Service Spares	-	-	0.78
Total	**3,755.95**	**8,270.22**	**12,533.74**

10. Trade Receivables:

₹in Lakhs

Particulars	31-Mar-2017	31-Mar-2016	01-Apr-2015
Outstanding for a period exceeding six months from the date they are due for payment			
- Considered Good	818.35	697.32	747.04
- Considered Doubtful	526.97	250.22	28.04
Other Trade Receivable - Considered Good	8,179.32	16,894.41	19,637.22
	9,524.64	**17,841.95**	**20,412.30**
Provision for doubtful receivables	526.97	250.22	28.04
Total	**8,997.67**	**17,591.73**	**20,384.26**

Movement in the provision for doubtful receivables

Particulars	31-Mar-2017	31-Mar-2016	1- Apr-2015
Balance at the beginning of the year	250.22	28.04	69.44
Provision recognized during the year	576.06	222.18	19.37
Less: Amount written-off	299.31	-	60.77
Balance at the end of the year	**526.97**	**250.22**	**28.04**

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

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reporting date. The management believes that there is no further provision required in excess of the allowance for doubtful debts

11. Cash and Bank Balances:

₹ in Lakhs

	31-Mar-2017	31-Mar-2016	01-Apr-2015
Cash on Hand	0.33	0.41	0.44
Balances with Banks			
- On Current Account	658.21	781.90	553.11
- On Deposit Account	5.01	18.30	77.75
Total	**663.55**	**800.61**	**631.30**

12.Other Current assets :

₹ in Lakhs

Particulars	31-Mar-2017	31-Mar-2016	01-Apr-2015
Prepaid Expenses	8.03	47.59	54.08
Loans to Employees	Nil	6.23	5.59
Deposits	3.42	78.71	68.18
Receivable from Government authorities	286.79	139.62	580.89
Other advances	80.80	54.49	3.37
Total	**379.04**	**326.64**	**712.11**

13.Share Capital

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

₹ in Lakhs

Particulars	31-Mar-2017	31-Mar-2016	01-Apr-2015
Authorised capital 15,00,000 (31/Mar/16 and 01/Apr/15 15,00,000) Equity Shares of ₹10/- each with voting rights	150.00	150.00	150.00
Issued, Subscribed and fully paid up 13,01,294 (31/Mar/16 and 01/Apr/15 13,01,294) Equity Shares of ₹ 10/- each fully paid up with voting rights	130.13	130.13	130.13

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

Particulars	31-Mar-2017		31-Mar-2016		01-Apr-2015	
	No of shares	₹ in Lakhs	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	13,01,294	130.13

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Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**13,01,294**	**130.13**	**13,01,294**	**130.13**	**13,01,294**	**130.13**

iii. Terms/rights attached to equity shares;

For the year ended March 31, 2017 Nil dividends proposed by the Board of Directors (Previous year a dividend of ₹ 24 per equity share).

iv. Shares held by shareholders holding more than 5 %

	31-Mar-2017		**31-Mar-2016**		**01-Apr-2015**	
Particulars	**No of shares**	% of Share holding	No of shares	% of Share holding	No of shares	% of Share holding
Redington (India)Limited	13,01,294	100%	13,01,294	100%	13,01,294	100%

14. Reserves & Surplus

₹ in Lakhs

A. Securities Premium Account	**31-Mar-2017**	**31-Mar-2016**	**01-Apr-2015**
Balance as per Last Balance sheet	482.07	482.07	482.07
Add: Premium on shares issued during the year	Nil	Nil	Nil
Balance at the end of the year	**482.07**	**482.07**	**482.07**

B. Retirement Benefit Obligation Reserve	**31-Mar-2017**	**31-Mar-2016**	**01-Apr-2015**
Balance as per the last Balance Sheet	14.56	Nil	Nil
Add: Movement during the year (net)	7.09	14.56	Nil
Balance at the end of the year	**21.65**	**14.56**	**Nil**
C. Surplus in the Statement of Profit and Loss	**31-Mar-2017**	**31-Mar-2016**	**01-Apr-2015**
Balance as per Last Balance sheet	5,719.35	4,186.02	4,187.56
Adjustments arising on Ind AS Transition	-	-	(1.38)
Hedge Reserve transfer	-	0.16	(0.16)
Profit for the year	978.43	1,533.17	
Sub Total	**6,697.78**	**5,719.35**	**4,186.02**

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Less: Appropriations			
Equity dividend paid during the year	312.31	-	-
Dividend Distribution Tax on the Dividend	63.58	-	-
Balance at the end of the year	**6,321.89**	**5,719.35**	**4,186.02**
Total Reserves and surplus	**6,825.61**	**6,215.98**	**4,668.09**

15. Non Current Liabilities

₹ in Lakhs

Particulars	31-Mar-2017	31-Mar-2016	01-Apr-2015
Retirement benefits obligation			
Gratuity	10.40	31.78	49.56
Compensated absences	0.94	3.60	4.73
Total	**11.34**	**35.38**	**54.29**

16. Income taxes (Net)

Particulars	31-Mar-2017	31-Mar-2016	1-Apr-2015
Income Tax Provision (Net of Tax paid)	Nil	251.63	47.08

17. Short-term Borrowings:

₹ in Lakhs

Particulars	31-Mar-2017	31-Mar-2016	01-Apr-2015
<u>**Secured Loans**</u>			
- From Banks*	944.94	1,792.15	5,736.74
<u>**Unsecured Loans**</u>			
- From Banks	-		1,196.73
- From the Holding Company Redington (India) Limited	-	2,600.00	2,200.00
Total	**944.94**	**4,392.15**	**9,133.47**

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

18. Trade Payables:

₹ in Lakhs

Particulars	31-Mar-2017	31-Mar-2016	01-Apr-2015
Due to Micro and Small Enterprises	-	-	-
Other than Micro and Small Enterprises	5,085.49	15,323.91	18,989.98
Total	**5,085.49**	**15,323.91**	**18,989.98**

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19. Other Financial Liabilities

₹ in Lakhs

Particulars	31-Mar-2017	31-Mar-2016	01-Apr-2015
Interest accrued but not due on loans	2.37	16.08	56.70
Total	**2.37**	**16.08**	**56.70**

20. Provisions

₹ in Lakhs

Particulars	31-Mar-2017	31-Mar-2016	01-Apr-2015
Gratuity	0.35	1.81	1.65
Compensated absences	0.08	0.31	0.25
Total	**0.43**	**2.12**	**1.90**

21. Other current liabilities

₹ in Lakhs

Particulars	31-Mar-2017	31-Mar-2016	01-Apr-2015
Statutory Liabilities	268.20	415.59	522.74
Creditors for other liabilities	271.18	345.92	793.12
Advances/Deposit received from customers	193.28	176.71	
Other current liabilities	19.97	23.66	34.05
Due to Related parties	446.02	45.85	165.79
Total	**1,198.65**	**1,007.73**	**1,515.70**

22. Revenue from Operations

₹ in Lakhs

Particulars	2016-17	2015-16
Sales	30,068.04	66,672.43
Service Income	5.25	865.53
Rebates	2,678.93	2,536.51
Total	**32,752.22**	**70,074.47**

23. Other Income

₹ in Lakhs

Particulars	2016-17	2015-16
Interest Income on long term advances	-	5.84
Interest from dealers	30.60	62.07
Interest income from bank deposits	1.42	25.84
Interest income from other advances	5.05	-
Profit on sale of Property, Plant and Equipment(Net)	10.20	0.17
Income from short term investments	15.29	-
Other Non Operating income	21.16	69.85
Total	**83.72**	**163.77**

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24. Employee Benefits

₹ in Lakhs

Particulars	2016-17	2015-16
Salaries and Bonus	478.58	979.18
Contribution to Provident Fund & Other Funds	26.66	53.34
Welfare Expenses (including compensated absences)	13.86	123.71
Gratuity	1.56	(3.72)
Total	**520.66**	**1,152.51**

25. Finance Costs

₹ in Lakhs

Particulars	2016-17	2015-16
Interest expenses	184.76	483.18
Total	**184.76**	**483.18**

26. Other Expenses

₹ in Lakhs

Particulars	2016-17		2015-16	
Rent		217.72		328.93
Freight		89.75		155.24
Warehouse Product/ Handling Charges		48.45		66.18
Travel		74.75		171.49
Repairs & Maintenance		21.41		104.34
Insurance		17.73		53.32
Rates & Taxes		1.77		4.88
Communication		22.59		43.48
Conveyance		23.17		32.25
Power & Fuel (incl. Utilities)		11.23		33.80
Auditors' Remuneration				
- For Audit	4.00		4.00	
- For Taxation	0.50		0.50	
- For Certification	0.22		0.29	
- Out of Pocket Expenses	0.24	4.96	0.11	4.90
Directors' Sitting fee		4.20		3.41
Directors' commission π		5.00		5.00
Security & Housekeeping		18.07		41.34
Consultancy Charges		16.92		26.18
Business Promotion Expenses		27.80		53.57
Bank charges		20.86		109.21

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Bad debts	299.31		-	
Less: Written off against provision	250.22		-	
Bad debts (net)		49.09	-	-
Provision for Bad & Doubtful Receivables		526.97		222.18
Exchange Loss (net)		121.51		-
Expenditure on CSR Activity		41.52		31.40
Miscellaneous Expenses		3.25		14.46
Total		**1,368.72**		**1,505.56**

π Commission to non-whole time directors requires approval of shareholders at the ensuing Annual General Meeting

27. 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 2017 is ascertained at ₹ 41.52 Lakhs.

During the financial year ended 31st March 2017, the company has spent ₹ 41.52 Lakhs

28. Gratuity

The company's obligation towards Gratuity fund is a Defined Benefit Plan and the details of actuarial valuation as at March 31, 2017 is given below ;

1. Movement

₹ in Lakhs

Particulars	2016-17	2015-16
Projected Benefit Obligation as at April 1, 2016	**33.59**	**51.21**
Employees Transferred (from) / to Group Company	(10.44)	2.04
Service Cost	1.56	3.98
Interest Cost	2.69	4.10
Claims paid	(5.11)	(5.26)
Actuarial gain	(11.54)	(22.48)
Projected Benefit Obligation as at March 31, 2017	**10.75**	**33.59**
Amount recognised in the Balance Sheet:		
Projected benefit obligation at the end of the year	10.75	33.59
Fair value of the plan assets at the end of the year	Nil	Nil
Liability recognised in the Balance Sheet	**10.75**	**33.59**

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Particulars	2016-17	2015-16
Cost of the defined plan for the year		
Current Service Cost	1.56	3.98
Interest on obligation	2.69	4.10
Net actuarial gain recognised in the year	(11.54)	(22.48)
Net cost recognised in the Profit and Loss account	**(7.29)**	**(14.40)**

2.Mean Financial Assumptions

Particulars	2016-17	2015-16
Discount Rate	7.5%	8.0%
Salary escalation Rate	5.0%	5.0%
Attrition Rate	8.0%	8.0%
Demographic assumptions – Mortality	IALM 2006-08 Ultimate	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.

29. 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

30. Contingent Liabilities

₹ in Lakhs

Particulars	March 31, 2017	March 31, 2016
1. Income tax	44.30	46.76

31. 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 Ind AS 108 "Segment Reporting".

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32. Financial instruments

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 and financial liability are disclosed to the statement of profit and loss. The fair values of financial assets and financial liabilities at the end of the reporting period approximate the amounts as shown in the Balance sheet.

₹ in Lakhs

	31-Mar-17		31-Mar-16		1-Apr-15	
Particulars	**FVTPL**	**Amortised cost**	**FVTPL**	**Amortised cost**	**FVTPL**	**Amortised cost**
Financial assets						
Trade receivables	Nil	8,997.67	Nil	17,591.73	Nil	20,384.26
Cash and bank balances	Nil	663.55	Nil	800.61	Nil	631.30
Other Financial assets	Nil	4.50	Nil	67.30	Nil	61.46
Total	**Nil**	**9,665.72**	**Nil**	**18,459.64**	**Nil**	**21,077.02**
Financial liabilities						
Borrowings	Nil	944.94	Nil	4,392.15	Nil	9,133.47
Trade payables	Nil	5,085.49	Nil	15,323.91	Nil	18,989.98
Other financial liabilities	Nil	2.37	Nil	16.08	Nil	56.70
Total	**Nil**	**6,032.80**	**Nil**	**19,732.14**	**Nil**	**28,180.15**

The carrying amounts of trade receivables, trade payables and cash and bank balances are considered to be the same as their fair values, due to their short-term nature.

The following table presents fair value hierarchy of assets and liabilities:

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₹ in Lakhs

Particulars	Level 1	Level 2	Level 3	Total
As on March 31, 2017				
Financial assets				
Trade receivables	-	8,997.67	-	8,997.67
Financial liabilities				
Borrowings	-	-	944.94	944.94
Trade payables	-	5,085.49	-	5,085.49
As on March 31, 2016				
Financial assets				
Trade receivables	-	17,591.73	-	17,591.73
Financial liabilities				
Borrowings	-	-	4,392.15	4,392.15
Trade payables	-	15,323.91	-	15,323.91
As on April 1, 2015				
Financial assets				
Trade receivables	-	20,384.26	-	20,384.26
Financial liabilities				
Borrowings	-	-	9,133.47	9,133.47
Trade payables	-	18,989.98	-	18,989.98

33. Financial risk management:

These financial risk management policies are applied in order to mitigate potential adverse impact on the financial performance. The note below explains how the Company's exposure to various risks, such as market risk (foreign exchange and interest rate risk) credit risk, liquidity risk and capital risk are addressed/mitigated.

1. Market Risks

Foreign exchange risk:
The Company enters into transactions denominated in foreign currencies. In order to mitigate risks arising on account of foreign currency fluctuations, the Company has set the following policies with respect to foreign exchange risk management.

The Company, wherever applicable have used foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. No derivative financial instruments are held for speculative purposes.

The details regarding USD denominated monetary assets and liabilities are given as below

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₹ in Lakhs

	Assets			Liabilities		
Currency	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
USD	628.44	1,021.83	227.72	5,321.18	11,770.38	16,079.08
EURO	Nil	11.31	2.92	30.63	Nil	2.91

Sensitivity analysis:

The Company apply 10% as the sensitivity rate while ascertaining foreign currency risk. Accordingly 10% increase in Indian Rupees against USD/Euro would have impacted profit before tax by ₹ 472.34 lakhs ₹ 1,073.72 lakhs for the previous year. Similarly for 10% weakening of Indian Rupees against USD, there would be an equal and opposite impact on the profit before tax.

2.Credit risk management

Credit risk is minimised through conservative credit policy by the company.The Company sells to both small retailers and large format retailers, giving them a credit period of 30- 60 days. The Company mitigates credit risk by strict receivable management procedures and policies. The Company has a dedicated independent team to review credit and monitor collection of receivables on a pan India basis. The efficacy of this process is proven by the fact that receivables more than 6 months are only 14% of the total receivables and bad debts are minimal.

3. Liquidity risk management

The company has built an appropriate liquidity risk management framework for the its short, medium and long-term funding and liquidity 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 financial liabilities.

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 cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Weighted average interest rate	< 1 year	1-5 Years	> 5 years	Total
	%	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
31-Mar-2017					
Fixed interest rate instruments	7.6	944.94	Nil	Nil	944.94
Total	**7.6**	**944.94**	**Nil**	**Nil**	**944.94**

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Financing facilities:

₹ in Lakhs

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Unsecured Bank Overdraft facility			
Limits	1,500.00	1,500.00	1,500.00
Utilisation	Nil	Nil	1,196.73
Secured bank loan facilities			
Limits	8,000.00	8,000.00	8,000.00
Utilisation	944.94	1,792.15	5,736.74

Contractual maturities of financial liabilities:

₹ in Lakhs

	31-Mar-17			31-Mar-16			1-Apr-15		
Financial liabilities-Maturity table	**<6months**	**6months to 1year**	**Beyond one year**	**<6months**	**6months to 1year**	**Beyond one year**	**<6months**	**6months to 1year**	**Beyond one year**
Borrowings	944.94	Nil	Nil	4,392.15	Nil	Nil	9,133.47	Nil	Nil
Trade payables	5,164.14	-218.95	140.30	14,159.26	237.24	927.41	17,706.67	1,209.35	73.96
Other financial liabilities	2.37	Nil	Nil	16.08	Nil	Nil	56.70	Nil	Nil
Total financial liabilities	**6,111.45**	**-218.95**	**140.30**	**18,567.49**	**237.24**	**927.41**	**26,896.84**	**1,209.35**	**73.96**

4. 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 shareholder through the optimisation of the debt and equity balance.

The Company, over the years, has maintained parity between Net Debt to Equity. The capital structure of the company consists of debt, represents the borrowings net of cash and bank balances as disclosed in notes 11 and note 17. Total equity of the Company comprising issued Share capital and other equity attributable to the shareholders, as disclosed in the statement of changes in equity. The gearing ratio at the end of the financial period is as below

Gearing ratio:

The management reviews the capital structure on a quarterly basis. The gearing ratio at the end of the financial period which is optimum as per management is as below.

₹ in lakhs

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Debt	944.94	4,392.15	9,133.47
Cash and bank balances	663.55	800.61	631.30
Net Debt(A)	**281.39**	**3,591.54**	**8,502.17**
Total Equity (B)	6,955.74	6,346.11	4,798.22
Net debt Equity ratio(A/B)	**0.04**	**0.57**	**1.77**

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34. 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

Nature of Transactions

₹ in Lakhs

Nature of transactions	Year ended March 31,2017	Year ended March 31,2016
Redington (India) Limited	**Holding Company**	
	2016-17	**2015-16**
Service Charges - Expenses	29.62	50.28
Service Charges - Income	19.41	1.32
Interest charges	49.24	108.73
Rent charges	10.41	12.58
Dividend paid	312.31	-
Loan Availed	4,493.04	9,700.00
Loan Repaid	7,093.04	9,300.00
Amount payable at the end of the year		
Loan payable at the end of the year	-	2,600.00
Other payables at the end of the year	-	0.03
Ensure Support Services (India) Limited	**Fellow Subsidiary**	
	2016-17	**2015-16**
Rental Expenses	-	9.93
Rental Income	-	1.08
Service Charges - Expenses	12.34	24.50
Service Charges - Income	-	0.15
Amount payable at the end of the year	-	4.38
ProConnect Supply Chain Solutions Limited	**Fellow Subsidiary**	
	2016-17	**2015-16**
Warehouse / Product handling charges-Expenses	206.23	279.74
Service charges – Income	4.20	-
Interest Income	5.04	-
Sale of Fixed Assets	5.50	
Amount payable at the end of the year	17.02	29.54

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Redington Distribution Pte Limited	Fellow Subsidiary	
	2016-17	2015-16
Purchase of Goods	554.21	1,123.53
Sale of Goods	123.76	7.60
Amount payable at the end of the year	429.19	11.90
Amount Receivable at the end of the year	120.32	-

35. Earnings Per Equity Share

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

Description	2016-17	2015-16
Profit after tax (₹ in lakhs)	978.43	1,533.17
Denominator – Weighted Average Number of equity shares	13,01,294	13,01,294
Face Value per share in ₹	10/-	10/-
Basic and Diluted Earnings per share in ₹	75.19	117.82

36. CIF Value of Imports

₹ in Lakhs

Particulars	2016-17	2015-16
Trading Stocks	21,085.21	52,514.01
Components & Spares	Nil	0.39

37. Expenditure in Foreign Currency

₹ in Lakhs

Particulars	2016-17	2015-16
Travel	7.76	28.68

38. Earnings in Foreign Currency

₹ in Lakhs

Particulars	2016-17	2015-16
Rebates	1,297.75	1,358.23
Income realized from Warranty Maintenance and Repair Services	Nil	2,342.44

39.Merger with Redington (India) Limited

The Board of Directors of the parent company Redington (India) Limited at its meeting held on May 24, 2016, approved the merger with effect from April 1, 2016, under a scheme of Arrangement (Merger), subject to the sanction by the Hon'ble Madras High Court. Both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) have communicated no objection in this regard.

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Pursuant to the notification by the Ministry of Corporate Affairs, the petition for the approval of scheme filed with the Hon'ble Madras High Court has been transferred to National Company Law Tribunal (NCLT), Chennai Bench.

40.Disclosure of Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes and other denomination notes. As defined in the MCA notification G.S.R. 308 (E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below;

Amount In ₹

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	**13,000.00**	**444.50**	**13,444.50**
(+) Permitted receipts	Nil	75,000.00	75,000.00
(-) Permitted payments	Nil	41,170.00	41,170.00
(-) Amount deposited in Banks	13,000.00	Nil	13,000.00
Closing cash in hand as on 30.12.2016	**Nil**	**34,274.50**	**34,274.50**

*For the purpose of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs, S.O No. 3407(E), dated November 8, 2016

41. Transition to Ind AS:

41.1 First-time adoption of Ind AS:
The financial statements for the year ended March 31, 2017 are the first financial statements prepared by the company in accordance with Ind AS. For the periods upto and including the year ended March 31, 2016, the Company prepared its financial statement in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). Reconciliation and description of the effect of transition from IGAAP to Ind AS are provided in Note 42.

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for the year ended March 31, 2017, together with the comparative year data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company prepared opening balance sheet as at April 1, 2015, being the transition date. This note explains the principle adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

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41.2 Exceptions to retrospective application of Ind AS:

Ind AS 101 allows certain exemptions to first-time adopters from the retrospective application of certain requirements under Ind AS. The company has applied the following exemptions:

Optional Exemptions:

a. Employee Benefits:

The company has decided to apply the exemption of recognizing all cumulative actuarial gains or losses at the date of transition to Ind AS as an adjustment to opening retained earnings and thereafter as a separate component of equity.

b. Deemed Cost:

The Company being a first time adopter has elected to carry the value of Property, Plant and Equipment and Intangible assets as per Balance sheet prepared under previous GAAP under deemed cost model. The Company has elected to regard those values of property as its deemed cost as at the date of transition and elected not to revalue those assets.

Mandatory Exceptions:

a. Estimates:

When the company needs to make estimates under Ind AS that were not required under Indian GAAP or vice-versa, the estimates must reflect conditions at the date of transition to Ind AS. On an assessment of the estimates made under Indian GAAP, the Company has concluded that there is no necessity to revise the estimates under IND AS.

b. Hedge Accounting:

Hedge accounting is to be applied only to hedge relationships that meet the requirements of hedge accounting in accordance with Ind AS 109. An entity shall not reflect in its Ind AS balance sheet a hedge relationship that does not qualify under Ind AS 109. The Company has retrospectively applied these principles and elected not to disclose in its balance sheet, the relationships that do not qualify for hedge accounting under Ind AS 109.

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42. Reconciliation between Indian GAAP & Ind AS:

Effect of Ind AS adoption on the Balance Sheet as at April 1, 2015

(₹ in Lakhs)

Particulars	Note Ref	As at April 1, 2015			
		As Reported	Regrouping	Ind AS Adjustments	As per Ind As
Assets					
Non-Current Assets					
Property, Plant and Equipment		213.16			213.16
Intangible assets		0.43			0.43
Financial Assets:					
Finance Lease Receivable	a (i)	-	95.35	(33.89)	61.46
Income Taxes (Net)		-		-	-
Deferred Tax Assets (net)		59.08			59.08
Other Non Current Assets		1.80			1.80
Total Non-Current assets		**274.47**	**95.35**	**(33.89)**	**335.93**
Current Assets					
Inventories		12,533.74			12,533.74
Financial Assets:					
Trade receivables		20,384.26			20,384.26
Cash and bank balances		631.30			631.30
Other Current Assets	a (i)	774.95	(95.35)	32.51	712.11
Total Current assets		**34,324.25**	**(95.35)**	**32.51**	**34,261.41**
Total Assets		**34,598.72**	**-**	**(1.38)**	**34,597.34**
Equity and liabilities					
Equity					
Share Capital		130.13			130.13
Other Equity	c	4,669.47		(1.38)	4,668.09
Total Equity		**4,799.60**	**-**	**(1.38)**	**4,798.22**
Non-Current Liabilities					
Provisions		54.29			54.29
Income Taxes (Net)		47.08			47.08
Total Non-current Liabilities		**101.37**	**-**	**-**	**101.37**
Current Liabilities					
Financial Liabilities:					
Borrowings		9,133.47			9,133.47
Trade and other payables		19,155.77	(165.79)		18,989.98
Other Financial Liabilities			56.70		56.70
Provisions		1.90			1.90
Other Current Liabilities		1,406.61	109.09		1,515.70
Total Current Liabilities		**29,697.75**	**-**	**-**	**29,697.75**
Total Equity and Liabilities		**34,598.72**	**-**	**(1.38)**	**34,597.34**

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Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016

(₹ in Lakhs)

Particulars	Note Ref	As at March 31, 2016			
		As Reported	Regrouping	Ind AS Adjustments	As per Ind As
Assets					
Non-Current Assets					
Property, Plant and Equipment		178.88			178.88
Intangible assets		0.22			0.22
Financial Assets:					
Finance Lease Receivable	a (i) & (ii)		95.35	(28.05)	67.30
Income Taxes (Net)		-	-	-	-
Deferred Tax Assets (net)		131.95		5.04	136.99
Other Non Current Assets		2.52			2.52
Total Non-Current assets		**313.57**	**95.35**	**(23.01)**	**385.91**
Current Assets					
Inventories		8,270.22			8,270.22
Financial Assets:					
Trade receivables		17,591.73			17,591.73
Cash and bank balances		800.61			800.61
Other Current Assets	a (i) & (ii)	396.20	(95.35)	25.79	326.64
Total Current assets		**27,058.76**	**(95.35)**	**25.79**	**26,989.20**
Total Assets		**27,372.33**	-	**2.78**	**27,375.11**
Equity and liabilities					
Equity					
Share Capital		130.13			130.13
Other Equity	c	5,842.35		373.63	6,215.98
Total Equity		**5,972.48**	-	**373.63**	**6,346.11**
Non-Current Liabilities					
Provisions		35.38			35.38
Income Taxes (Net)		246.59		5.04	251.63
Total Non-current Liabilities		**281.97**	-	**5.04**	**287.01**
Current Liabilities					
Financial Liabilities:					
Borrowings		4,392.15			4,392.15
Trade and other payables		15,369.76	(45.85)		15,323.91
Other Financial Liabilities		-	16.08		16.08
Provisions	b	378.01		(375.89)	2.12
Other Current Liabilities		977.96	29.77		1,007.73
Total Current Liabilities		**21,117.88**	-	**(375.89)**	**20,741.99**
Total Equity and Liabilities		**27,372.33**	-	**2.78**	**27,375.11**

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

Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2016

(₹ Lakhs)

Particulars	Note No.	As Reported	Ind AS Adjustments	As per Ind As
Revenue from Operations		70,074.47	-	70,074.47
Other Income	a (ii)	157.93	5.84	163.77
Total Income		**70,232.40**	**5.84**	**70,238.24**
Expenses				
Purchases of Traded goods		60,401.57	-	60,401.57
Changes in Inventories of Traded goods		4,263.52	-	4,263.52
Employee benefits expense	d	1,142.45	10.06	1,152.51
Finance Costs	d	478.69	4.49	483.18
Depreciation and amortisation expense		66.59	-	66.59
Other Expenses	a (ii)	1,498.84	6.72	1,505.56
Total expenses		**67,851.66**	**21.27**	**67,872.93**
Profit before tax		**2,380.74**	**(15.43)**	**2,365.31**
Tax expense:				
Current tax		905.00	5.04	910.04
Deferred tax		(72.87)	(5.04)	(77.90)
Profit for the year (A)		**1,548.61**	**(15.43)**	**1,533.17**
Items that may be reclassified to Profit or loss				
Remeasurements of the defined benefits plan (Net of Taxes)	d	-	14.56	14.56
Total Other comprehensive Income (B)		**-**	**14.56**	**14.56**
Total Comprehensive Income (A+B)		**1,548.61**	**(0.87)**	**1,547.73**

a. Discounting of Long Term Security Deposits:

Lease deposits held as on the transition date has been measured at fair value of which is estimated at the present value of the deposit, discounted using the prevailing market rate of Government securities.

i. The difference between the carrying value and the fair value amounting to ₹ 33.89 Lakhs is increased to the Retained earnings as on 1st April 2015. The said difference between the present value of the deposit and the recoverable value is amortised over the lease period as prepaid expenses. The value of prepaid expense for the lease deposit held as on transition date is ₹ 32.51 Lakhs which is decreased to the Retained earnings as on 1st April 2015.

iii. Rental expenses & Interest Income for the above amortization value for the year ended March 31, 2016 has been charged to Statement to Profit and loss to the extend of ₹ 6.72 Lakhs and ₹ 5.84 Lakhs respectively.

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

b. Dividend:

Under previous GAAP, equity dividend recommended by the board of directors after the end of the reporting period but before the financial statements were approved was recongnised in the financial statements as a liability. Under Ind AS 10, such dividends are to be recognized as and when approved by the members in a general meeting.

- Dividend pertains to FY 2015-16 was ₹375.89 Lakhs (Incl DDT)

C. Other Reserves

Particulars	31-Mar-16	01-Apr-15
Reserves as per previous Indian GAAP	5,842.35	4,669.47
Adjustments:		
Proposed equity dividend for the year	312.31	-
Dividend Distribution Tax on the Proposed Dividend	63.58	-
Fair value measurement on Security Deposits	(28.05)	(33.88)
Prepaid Rent amortised	25.79	32.50
Reserves as per Ind AS	6,215.98	4,668.09

d. Employee Benefits, Finance cost & Other Comprehensive Income:

Particulars	Employee Benefits	Finance Costs	Other Comprehensive Income
As reported under IGAAP	1,142.45	478.69	Nil
Ind AS Adjustments on Employee Benefits:			
Interest Cost:			
Gratuity	(4.10)	4.10	Nil
Compensated Absences	(0.40)	0.40	Nil
Actuarial Gain/Loss:			
Gratuity	14.70	Nil	14.70
Compensated Absences	(0.14)	Nil	(0.14)
Amount reportable under Ind AS	1,152.51	483.19	14.56

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

43. The figures of the previous years have been regrouped wherever necessary to conform to the classification of the current year.

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

For and on behalf of the Board of Directors

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

A S Varadarajan
Partner
Membership Number: 018899

E.H.Kasturi Rangan
Director
DIN: 01814089

P.S. Neogi
Director
DIN: 01816223

Place: Chennai
Date: May 4, 2017

Place: Mahabalipuram
Date: May 4, 2017

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 AUDITOR'S REPORT

To the members of ProConnect Supply Chain Solutions Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of ProConnect Supply Chain Solutions Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules made thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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 consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 consolidated financial position of the Group as at 31 March 2017, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including orther comprehensive income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

Independent Auditor's Report to the Members of ProConnect Supply Chain Solutions Limited

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules made thereunder.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the subsidiary company, none of the directors of the Group companies, is disqualified as on 31 march 2017 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 Holding Company and its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. There were no pending litigations as at 31 March 2017 which would impact the consolidated financial position of the Group.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2017.

   iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company during the year ended 31 March 2017.

   iv. The Group has provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and its subsidiary company and as produced to us by the Management. Refer Note ____ of the consolidated IndAS financial statements.

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

Sethuraman

S Sethuraman
Partner
Membership No. 203491
Place: Chennai
Date: 19 May 2017

Annexure 'A' to the Independent Auditor's Report to the Members of Proconnect Supply Chain Solutions Limited for the year ended 31 March 2017
(referred to in our report of even date)

Report on the Internal Financial Controls under clause (*i*) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Proconnect Supply Chain Solutions Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company and its subsidiary company are 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's 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") issued by the ICAI 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 issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 judgement, 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.

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 Holding Company and its subsidiary company, have, 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 31 March 2017, 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
Place: Chennai
Date: 19 May 2017

Proconnect Supply Chain Solutions Limited

Consolidated Balance Sheet as at 31 March 2017

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

	Note	As at 31 March 2017
Assets		
Non-current assets		
Property, plant and equipment	15	966.61
Intangible assets	16	369.75
Financial assets		
Deposits and other receivables	21	574.10
Loans	22	500.00
Other financial assets	23	312.00
Deferred tax assets	14	157.65
Income tax assets		132.50
Other assets	24	144.85
Total non-current assets		**3,157.46**
Current assets		
Inventories	17	0.14
Financial assets		
Trade receivables	18	4,215.07
Cash and cash equivalents	19	150.13
Other bank balances	20	300.00
Loans	22	500.00
Deposits and other receivables	21	1,115.96
Other financial assets	23	129.48
Other assets	24	137.02
Total current assets		**6,547.80**
Total assets		**9,705.26**
Equity and liabilities		
Equity		
Equity share capital	25A	724.32
Other equity		
Securities premium	25B	1,231.16
Retained earnings		3,832.24
Others (including items of other comprehensive income)		9.14
Equity attributable to owners of the Company		**5,796.86**
Non-controlling interests	32	341.40
Total equity		**6,138.26**
Liabilities		
Non-current liabilities		
Financial liabilities		
Provisions	31	198.40
Total non-current liabilities		**198.40**

B S R & Co. LLP ★ Chartered Accountants ★

Proconnect Supply Chain Solutions Limited ★ Chennai

Proconnect Supply Chain Solutions Limited

Consolidated Balance Sheet as at 31 March 2017

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

	Note	As at 31 March 2017
Current liabilities		
Financial liabilities		
Borrowings	27	1,470.11
Trade payables	28	1,061.45
Other financial liabilities	29	679.18
Other liabilities	30	94.25
Income tax liabilities		50.34
Provisions	31	13.27
Total current liabilities		**3,368.60**
Total liabilities		**3,567.00**
Total equity and liabilities		**9,705.26**
Significant accounting policies	3	

The notes referred to above form an integral part of consolidated 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: 19 May 2017

for and on behalf of the board of directors of
Proconnect Supply Chain Solutions Limited

Kasturi Rangan E.H
Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Kasi Viswanathan P.S
Chief financial officer
Place: Chennai
Date: 19 May 2017

Vignesh Kumar S M
Company secretary

Proconnect Supply Chain Solutions Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

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

	Note	Year ended 31 March 2017
Revenue		
Revenue from operations	6	18,189.05
Other income	7	208.72
Total Revenue		**18,397.77**
Expenses		
Changes in inventories of spares	8	(0.14)
Purchase of spares	9	13.72
Employee benefits expense	10	1,932.21
Finance costs	11	78.23
Depreciation and amortisation expense	12	361.31
Other expenses	13	12,945.30
Total expenses		**15,330.63**
Profit before tax		**3,067.14**
Income tax	14	
Current tax		1,128.08
Deferred tax		(53.01)
Income tax expense		**1,075.07**
Profit for the year		**1,992.07**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of the defined benefit liability		(43.84)
Income tax relating to items that will not be reclassified to profit or loss		15.17
Net other comprehensive income not to be reclassified subsequently to profit or loss		**(28.67)**
Other comprehensive income for the year, net of income tax		**(28.67)**
Total comprehensive income for the year		**1,963.40**

B S R & Co. LLP ★ Chartered Accountants ★

Proconnect Supply Chain Solutions Limited ★ Chennai

Proconnect Supply Chain Solutions Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

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

	Note	Year ended 31 March 2017
Profit attributable to		
Owners of the Company		1,962.67
Non-controlling interests	32	29.40
Profit for the year		**1,992.07**
Other comprehensive income attributable to		
Owners of the Company		(28.67)
Non-controlling interests	32	-
Other comprehensive income for the year		**(28.67)**
Total comprehensive income attributable to		
Owners of the Company		1,934.00
Non-controlling interests	32	29.40
Total comprehensive income for the year		**1,963.40**
Earnings per share		
Basic and diluted earnings per share (in Indian Rupees)	26	32.56
Significant accounting policies	3	

The notes referred to above form an integral part of consolidated 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: 19 May 2017

for and on behalf of the board of directors of
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Kasturi Rangan E.H
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DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Kasi Viswanathan P.S
Chief financial officer
Place: Chennai
Date: 19 May 2017

Vignesh Kumar S M
Company secretary

Proconnect Supply Chain Solutions Limited

Consolidated Statement of Cash Flow for the year ended 31 March 2017

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

	Note	Year ended 31 March 2017
Cash flow from operating activities		
Profit for the year		3,067.14
Adjustments for:		
Depreciation and amortisation		361.31
Bad debts written off		10.56
Dividend income		(2.65)
Loss / (gain) on sale of property, plant and equipment		67.89
Finance costs		78.23
Interest income		(18.75)
		3,563.73
Working capital adjustments:		
(Increase) decrease in inventories		(0.14)
(Increase) decrease in trade receivables		(2,183.46)
(Increase) decrease in deposits and other receivables		(1,000.95)
Increase (decrease) in other non-current financial assets		(191.21)
Increase (decrease) in other current / non current assets		(10.70)
Increase (decrease) in trade payable and other financial liabilities		591.07
Increase (decrease) in provisions and other current liabilities		78.90
Cash generated from operating activities		**847.24**
Income tax paid (net)		(1,050.21)
Net cash generated from / (used in) operating activities (A)		**(202.97)**
Cash flow from investing activities		
Interest received		9.65
Dividend received		2.65
Proceeds from sale of property, plant and equipment		7.24
Acquisition of property, plant and equipment		(534.18)
Loans given		(1,000.00)
Advance paid for acquisition of shares in subsidiary		(312.00)
Investments in bank deposits with original maturity of more than 3 months		(300.00)
Net cash generated from / (used in) investing activities (B)		**(2,126.64)**

B S R & Co. LLP ★ Chartered Accountants ★

Proconnect Supply Chain Solutions Limited ★ Chennai

Proconnect Supply Chain Solutions Limited

Consolidated Statement of Cash Flow for the year ended 31 March 2017

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

	Note	Year ended 31 March 2017
Cash flow from financing activities		
Proceeds from issue of share capital (including securities premium)		1,500.48
Proceeds from issue of shares in subsidiary to non-controlling interest		312.00
Proceeds from short term borrowings from related parties		1,000.00
Interest paid		(78.23)
Dividend paid (and related dividend distribution tax)		(219.05)
Net cash generated from / (used in) financing activities (C)		**2,515.20**
Net increase in cash and cash equivalents (A+B+C)		**185.60**
Cash and cash equivalents as at 1 April 2016		(505.58)
Cash and cash equivalents as at 31 March 2017	19	**(319.98)**
Significant accounting policies	3	

The notes referred to above form an integral part of consolidated 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: 19 May 2017

for and on behalf of the board of directors of
Proconnect Supply Chain Solutions Limited

Kasturi Rangan E.H
Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Kasi Viswanathan P.S
Chief financial officer
Place: Chennai
Date: 19 May 2017

Vignesh Kumar S M
Company secretary

Proconnect Supply Chain Solutions Limited

Consolidated Statement of Changes in Equity for the year ended 31 March 2017

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

(a) Equity share capital

Particulars	Amount	No. of shares
Equity shares of Rs. 10 each issued, subscribed and fully paid		
Balance as at 1 April 2016	455.00	4,550,000
Shares issued during the year	269.32	2,693,230
Balance as at 31 March 2017	**724.32**	**7,243,230**

(b) Other equity

	Other equity				
	Reserves and surplus		Other comprehensive Income		
	Securities premium	Retained earnings	Other equity	Other items of other comprehensive income	Total equity attributable to equity holders of the Company
Balance as at 1 April 2016	-	**2,088.62**	-	**0.31**	**2,088.93**
Total comprehensive income for the year ended 31 March 2017					
Profit for the year	-	1,962.67	-	-	**1,962.67**
Other comprehensive income for the year	-	-	-	(28.67)	**(28.67)**
Total comprehensive income	-	**4,051.29**	-	**(28.36)**	**4,022.93**
Contributions and distributions to owners					
Securities premium on shares issued during the year	1,231.16	-	-	-	**1,231.16**
Dividend, including corporate dividend tax	-	(219.05)	-	-	**(219.05)**
Total contribution and distributions to owners	**1,231.16**	**(219.05)**	-	-	**1,012.11**
Changes in ownership interests in subsidiaries that do not result in loss of control					
Call option over non-controlling interests	-	-	37.50	-	**37.50**
Total transactions with owners	**1,231.16**	**(219.05)**	**37.50**	-	**1,049.61**
Balance as at 31 March 2017	**1,231.16**	**3,832.24**	**37.50**	**(28.36)**	**5,072.54**

Significant accounting policies 3

The notes referred to above form an integral part of consolidated 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: 19 May 2017

for and on behalf of the board of directors of
Proconnect Supply Chain Solutions Limited

Kasturi Rangan E.H
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Director
DIN: 07518349

Kasi Viswanathan P.S
Chief financial officer
Place: Chennai
Date: 19 May 2017

Vignesh Kumar S M
Company secretary

Proconnect Supply Chain Solutions Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2017

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

1 Background

ProConnect Supply Chain Solutions Limited ('ProConnect' / 'Company') incorporated on 31 August 2012, is a wholly owned subsidiary of Redington (India) Limited ('Redington'). These consolidated financial statements comprise the Company and its subsidiary Rajprotim Supply Chain Solutions Limited ('RCS' / 'Subsidiary') (referred to collectively as the 'Group'). The Group 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.

2 Basis of preparation

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Considering that the subsidiary was incorporated during the year, these are the first annual consolidated financial statements of the Group for the year ended 31 March 2017 and consequently these consolidated financial statements do not include any comparatives as well as the disclosures surrounding transition to IndAS (refer note 4) as the same is not applicable to the Group.

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 19 May 2017.

Details of the Group's accounting policies are included in Note 3.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's and subsidiary's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
- Certain financial assets and liabilities	Fair value

2.4 Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2017 is included in the following notes:

- Note 31 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 33 – impairment of financial assets.

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Proconnect Supply Chain Solutions Limited ★ Chennai

2 Basis of preparation (contd.)

2.5 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 33 – financial instruments

3 Significant accounting policies

3.1 Basis of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

3.2 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

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3 Significant accounting policies (contd.)

3.3 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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3 Significant accounting policies (contd.)

Financial instruments (contd.)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.4 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current period are as follows:

Asset	Management estimate of useful life
Plant and equipment	5 years
Computer and accessories	3 years
Furniture and fixtures	4 years
Office equipments	5 years
Vehicles	5 years

Based on technical evaluation, the management believes that useful as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets, is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation on additions (disposals) is provided from the month in which asset is ready for use (disposed of).

3.5 Intangible assets

i. Recognition and measurement

Intangible assets including those acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

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3 Significant accounting policies (contd.)

Property, plant and equipment (contd.)

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.
The estimated useful lives are as follows:

Asset	Useful life
Customer contracts	5 years
Software	3 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.6 Inventories

Inventories are measured at the 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 realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.7 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.8 Impairment

i. Impairment of financial instruments
The Group recognises loss allowances for expected credit losses on:
- financial assets measured at amortised cost; and

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:
- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12 month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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Proconnect Supply Chain Solutions Limited Chennai ★

3 Significant accounting policies (contd.)

3.8 Impairment (contd.)

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward - looking information.

The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held)

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Group's non-financial assets, other than deferred tax 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. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Group's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

3.9 Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

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3 Significant accounting policies (contd.)

3.9 Employee benefits (contd.)

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme and employees state insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss under finance costs and employee benefit expenses respectively.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

3.10 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

3.11 Revenue recognition

Rendering of services

Service income mainly comprises of logistic services, warehousing charges, freight charges and other related charges for rendering supply chain management services to customers. Service income is recognised based on the terms of the agreement entered into with customers when the services are rendered. 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.

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3 Significant accounting policies (contd.)

3.12 Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Consolidated Balance Sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.13 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.14 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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3 Significant accounting policies (contd.)

3.14 Income tax (contd.)

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse i
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is 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 the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.15 Cash and cash equivalents

Cash and cash equivalent comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as other bank balances.

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

4 Explanation of transition to Ind AS

As stated in Note 2, these are the Group's first annual consolidated financial statements prepared in accordance with Ind AS. Considering that the subsidiary was incorporated during the year, there we no consolidated financial statements that were prepared prior to the current year and as such the disclosures relating to the transition to Ind AS and presentation of comparative amounts are not applicable to the Group. The accounting policies set out in Note 3 have been applied in preparing these consolidated financial statements for the year ended 31 March 2017.

5 Operating segments

The Group is engaged in only one business namely providing supply chain management ('SCM') services. The entity's chief operating decision maker considers the Group as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Group does not have multiple segments and these consolidated financial statements are reflective of the information required by the Ind AS 108 for SCM segment. The Group's operations are entirely domiciled in India and as such all its non-current assets are located in India.

A. Geographic information :

The geographic information analyses the Group's revenue by the country of domicile and other countries.

	Year ended 31 March 2017
India	16,950.05
USA	1,239.00
	18,189.05

B. Major Customers

Revenue from customers that individually constituted more than 10% of the Group's revenue are as follows:

	Year ended 31 March 2017
Customer A	6,069.30

6 Revenue from operations

	Year ended 31 March 2017
Sale of products	23.54
Sale of services	
Income from supply chain management services	18,162.88
Other operating revenue	
Scrap Sales	2.63
	18,189.05

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Notes forming part of the consolidated financial statements for the year ended 31 March 2017

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

7 Other income

	Year ended 31 March 2017
Interest income on	
Cash and cash equivalents	9.65
Loan to corporates	63.97
Security deposits at amortised cost	38.88
Dividend income	2.65
Insurance claim	79.35
Miscellaneous income	14.22
	208.72

8 Changes in inventories of spares

	Year ended 31 March 2017		
	Opening stock	Closing stock	Increase / Decrease
Stock-in-trade of spares	-	0.14	0.14
	-	**0.14**	**0.14**

9 Purchase of spares

	Year ended 31 March 2017
Purchases of spares	13.72
	13.72

10 Employee benefits expense

	Year ended 31 March 2017
Salaries, wages and bonus	1,654.82
Contribution to provident funds	96.19
Expenses related to post-employment defined benefit plans	10.01
Expenses related to compensated absences	15.76
Staff welfare expenses	155.43
	1,932.21

11 Finance costs

	Year ended 31 March 2017
Interest on cash credit / working capital loans	51.79
Interest on loan from related parties	26.44
	78.23

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12 Depreciation and amortisation expense

	Year ended 31 March 2017
Depreciation of property, plant and equipment (refer note 15)	337.10
Amortisation of intangible assets (refer note 16)	24.21
	361.31

13 Other expenses

	Year ended 31 March 2017
Freight, delivery and shipping charges	4,456.15
Rent	2,730.22
Outsourced manpower cost	1,915.06
Warehouse handling charges	1,079.94
Consumption of packing materials	317.04
Power and fuel	191.22
Rates and taxes	195.32
Repairs and maintenance	
Buildings	39.26
Machinery	96.86
Others	342.84
Directors' sitting fees	4.40
Legal and professional charges (refer note (a) below)	229.60
Travel and Conveyance	155.75
Sales promotion expenses	7.94
Communication expenses	193.59
Security services	621.83
Insurance	24.96
Printing and stationery	172.15
Net loss on foreign currency transactions	13.67
Provision for doubtful debts	10.56
Loss on sale of property, plant and equipment	67.89
Bank charges	4.37
Expenditure on Corporate social responsibility (refer note (b) below)	20.27
Miscellaneous expenses	54.41
	12,945.30

a. Payment of auditors

	Year ended 31 March 2017
Statutory audit	5.00
Tax audit	1.25
Other services	1.75
Reimbursement of expenses	0.30
	8.30

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Notes forming part of the consolidated financial statements for the year ended 31 March 2017

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

13 Other expenses (contd.)

b. Details of corporate social responsibility expenditure

	Year ended 31 March 2017
Amount required to be spent by the Group during the year	20.06
Amount spent during the year (in cash) :	
(i) Construction/ acquisition of any asset	-
(ii) On purposes other than (i) above	20.27
	20.27

14 Income tax

a. Amount recognised in the profit and loss

	Year ended 31 March 2017
Current tax	
Current period	1,128.08
	1,128.08
Deferred tax	
Origination and reversal of temporary difference	(53.01)
	(53.01)
	1,075.07

b. Income tax recognised in other comprehensive income

	Year ended 31 March 2017		
	Before tax	Tax (expense) / benefit	Net of tax
Remeasurement of defined benefit liability (asset)	(43.84)	15.17	(28.67)
	(43.84)	**15.17**	**(28.67)**

c. Reconciliation of effective tax rate

	Year ended 31 March 2017	
Profit before tax		**3,067.14**
Enacted tax rates in India	34.61%	
Computed expected tax expense		1,061.48
Effect of exempt non-operating income	0.00%	(0.03)
Changes in estimates related to prior years	0.21%	6.45
Effect of non-deductible expenses	0.23%	7.17
Income tax expense	**35.05%**	**1,075.07**

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Notes forming part of the consolidated financial statements for the year ended 31 March 2017

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14 Income tax (contd.)

d. Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	As at 31 March 2017		
	Deferred tax assets	**Deferred tax (liabilities)**	**Net Deferred tax assets / (liabilities)**
Property, plant and equipment	40.76	(0.48)	40.28
Intangible assets	-	(9.03)	(9.03)
Provision - employee benefits	112.87	-	112.87
Provision - others	13.53	-	13.53
Net deferred tax (assets) liabilities	**167.16**	**(9.51)**	**157.65**

Movement in temporary differences:

	Balance as at 1 April 2016	**Recognized in profit or loss during 2016-17**	**Recognized in OCI during 2016-17**	**Balance as at 31 March 2017**
Property, plant and equipment	(7.44)	47.72	-	40.28
Intangible assets	97.01	(106.04)	-	(9.03)
Provision - employee benefits	-	97.70	15.17	112.87
Provision - others	(0.10)	13.63	-	13.53
	89.47	**53.01**	**15.17**	**157.65**

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Notes forming part of the consolidated financial statements for the year ended 31 March 2017

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

15 Property, plant and equipment

	Plant and machinery	Office equipments	Furniture and fixtures	Computers	Vehicles	Total
Cost						
Balance at 1 April 2016	**209.68**	**180.70**	**300.12**	**269.84**	**43.92**	**1,004.26**
Additions	87.06	61.10	208.71	103.54	126.41	586.82
Disposals	(1.33)	(11.64)	(74.57)	(23.55)	(8.24)	(119.33)
Balance at 31 March 2017	**295.41**	**230.16**	**434.26**	**349.83**	**162.09**	**1,471.75**
Accumulated depreciation						
Balance at 1 April 2016	**46.73**	**30.75**	**54.34**	**72.77**	**7.65**	**212.24**
Additions	64.19	44.14	104.39	99.09	25.29	337.10
Disposals	(0.33)	(4.56)	(24.16)	(10.37)	(4.78)	(44.20)
Balance at 31 March 2017	**110.59**	**70.33**	**134.57**	**161.49**	**28.16**	**505.14**
Carring amount (net)						
As at 31 March 2017	**184.82**	**159.83**	**299.69**	**188.34**	**133.93**	**966.61**

16 Intangible assets

	Software	Customer contracts*	Total
Cost			
Balance at 1 April 2016	**10.44**	**-**	**10.44**
Additions	15.49	370.55	386.04
Disposals	-	-	-
Balance at 31 March 2017	**25.93**	**370.55**	**396.48**
Accumulated amortisation			
Balance at 1 April 2016	**2.52**	**-**	**2.52**
Additions	3.77	20.44	24.21
Disposals	-	-	-
Balance at 31 March 2017	**6.29**	**20.44**	**26.73**
Carring amount (net)			
As at 31 March 2017	**19.64**	**350.11**	**369.75**

*Refer note 38 for details of the acquisition of customer contracts

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Notes forming part of the consolidated financial statements for the year ended 31 March 2017

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

17 Inventories

	As at 31 March 2017
Spare parts	0.14
	0.14

18 Trade receivables

	As at 31 March 2017
Unsecured, considered good	4,215.07
Doubtful	14.60
Less : Loss allowance	(14.60)
	4,215.07
Current	4,215.07
	4,215.07
Of the above, trade receivables from related parties are as below:	
Total trade receivables from related parties	1,011.64
Less : Loss allowance	-
	1,011.64

Note :

The Group's exposure to credit and currency risks, loss allowances related to trade receivables are disclosed in note 33.

For receivables secured against borrowings, see Note 27

19 Cash and cash equivalents

	As at 31 March 2017
Cash in hand	12.34
Balance with banks:	
- in current accounts	137.79
Cash and cash equivalents in balance sheet	**150.13**
Less: Bank overdrafts and cash credit facilities used for cash management purposes	470.11
Cash and cash equivalents in the statements of cash flows	**(319.98)**

20 Other bank balances

	As at 31 March 2017
Demand deposits with original maturity of more than three months	300.00
	300.00

The Group has pledged its short-term demand deposits to fulfill collateral requirements.

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

21 Deposits and other receivables

	As at 31 March 2017
Non-current	
Security deposits	574.10
	574.10
Current	
Security and other deposits	291.10
Unbilled revenue	813.42
Others	11.44
	1,115.96

22 Loans

	As at 31 March 2017
Loan to body corporates	1,000.00
	1,000.00
Non-current	500.00
Current	500.00
	1,000.00

23 Other financial assets

	As at 31 March 2017
Non-current	
Advance for purchase of shares	312.00
	312.00
Current	
Insurance claim receivable	83.27
Others	46.21
	129.48

24 Other assets

	As at 31 March 2017
Non-current	
Capital advances	32.38
Prepayments	112.47
	144.85
Current	
Prepayments	102.59
Balances with Statutory authorities	21.55
Others	12.88
	137.02

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Notes forming part of the consolidated financial statements for the year ended 31 March 2017

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

25A Share Capital

	As at 31 March 2017
Authorised	
15,000,000 equity shares of Rs. 10 each fully paid up	1,500.00
Issued, Subscribed and Paid-up	
7,243,200 equity shares of Rs. 10 each fully paid up	724.32

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2017	
	No. of Shares	Amount
Equity shares		
At the commencement of the year	4,550,000	455.00
Shares issued for cash	2,693,200	269.32
At the end of the year	**7,243,200**	**724.32**

Rights, preferences and restrictions 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.

Shares held by holding / ultimate holding company and / or their subsidiaries / associates

	As at 31 March 2017	
	No. of Shares	Amount
Equity shares of Rs. 10/- each paid up held by Redington (India) Limited and its nominees	7,243,200	724.32

Particulars of shareholder holding more than 5% shares of a class of shares

	As at 31 March 2017	
	No. of Shares	% of total shares in class
Equity shares of Rs. 10/- each paid up held by Redington (India) Limited and its nominees	7,243,200	100%
	7,243,200	**100%**

25B Other equity

a. *Securities premium*

	As at 31 March 2017
At the commencement of the year	-
Share issued for cash	1,231.16
At the end of the year	**1,231.16**

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

25B Other equity (contd.)

b. Dividends

The following dividends were paid by the Company

	Year ended 31 March 2017
INR 4 per equity share	182.00
Dividend distribution tax (DDT) on dividend to equity shareholders	37.05
	219.05

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

c. *Analysis of accumulated OCI, net of tax*

A. Other items of OCI

	31 March 2017
Remeasurements of defined benefit liability (asset)	(28.36)
	(28.36)

Remeasurements of defined benefit liability (asset)

	31 March 2017
Opening balance	0.31
Remeasurements of defined benefit liability (asset)	(28.67)
Closing balance	**(28.36)**

B. Disaggregation of changes in items of OCI

	Re-measurements of defined benefit liability/ (asset)	Total OCI
Year ended 31 March 2017		
Remeasurement of defined benefit liability (asset)	(28.67)	(28.67)
	(28.67)	**(28.67)**

Remeasurements of defined benefit liability (asset)

Remeasurements of defined benefit liability (asset) comprises actuarial losses.

25C Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

26 Earnings per share

Basic and diluted earning per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

i. Profit (loss) attributable to equity shareholders (basic and diluted)

	Year ended 31 March 2017
Profit (loss) for the year, attributable to the equity holders	1,963.41

ii. Weighted average number of equity shares (basic and diluted)

	Year ended 31 March 2017
Opening balance	45.50
Effect of fresh issue of shares for cash	14.81
Weighted average number of equity shares for the year	**60.31**

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27 Borrowings

	As at 31 March 2017
Current borrowings	
Loans from banks	
Cash credit facilities	470.11
Loans from related party (unsecured)	1,000.00
	1,470.11

Information about the Group's exposure to interest rate, foreign currency and liquidity is provided in Note 33

Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying amount at 31 March 2017
Cash credit	INR	10%	2017-18	470.11
Loan from related party	INR	6.55%	2017-18	1,000.00
				1,470.11

B. Secured bank loans

The cash credit facility availed by the Company of INR 146.60 lakhs is secured by hypothecation of book debts and term deposits. The cash credit facility availed by the subsidiary of INR 323.51 lakhs is secured by hypothecation of all its current assets and term deposits of INR 300 lakhs placed by ProConnect with the bank.

28 Trade payables

	As at 31 March 2017
Other trade payables	1,061.45
	1,061.45

All trades payables are 'current'

The Group's exposure to currency and liquidity risk related to trade payable is disclosed in note 33. Also, refer note 40 for disclosure required under Micro, Small and Medium Enterprises Development Act, 2006.

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29 Other financial liabilities

	As at 31 March 2017
Employee benefits payable	255.57
Advance from customers	16.27
Deposit from customers	16.22
Purchase consideration (refer note 38)	370.55
Other payables	20.57
	679.18
Non-current	-
Current	679.18
	679.18

The Group's exposure to currency and liquidity risk related to above financial liabilities is disclosed in note 33.

30 Other liabilities

	As at 31 March 2017
Statutory dues	94.25
	94.25
Non-current	-
Current	94.25
	94.25

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Notes forming part of the consolidated financial statements for the year ended 31 March 2017

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

31 Provisions

	Non current As at 31 March 2017	Current As at 31 March 2017
Provision for employee benefit		
Liability for gratuity	141.46	9.16
Liability for compensated absences	56.94	4.11
	198.40	**13.27**

For details about the related employee benefit expenses, see Note 10

The Group operates the following post-employment defined benefit plans:
The Group has a defined benefit gratuity plan in India (the Plan), governed by the Payment of Gratuity Act, 1972. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee at the time of retirement, death or termination of employment. Liabilities for the same are determined through an actuarial valuation as at the reporting dates using the "projected unit cost method".

A. Funding

The gratuity plan of the Group is an unfunded plan.

B. Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components

Reconciliation of present value of defined benefit obligation

	As at 31 March 2017
Balance at the beginning of the year	95.96
Benefits paid	(6.41)
Current service cost	20.87
Interest cost	7.20
Actuarial (gains) losses recognised in other comprehensive income	
- changes in demographic assumptions	-
- changes in financial assumptions	6.27
- experience adjustments	26.73
Balance at the end of the year	**150.62**

C. Expense/ (income) recognised in the statement of profit or loss

	For the year ended 31 March 2017
Current service cost	20.87
Interest cost	7.20
	28.07

Remeasurements recognised in other comprehensive income

	For the year ended 31 March 2017
Actuarial gain on defined benefit obligations	33.00
	33.00

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

31 Provisions (contd.)

D. Defined benefit obligation

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at 31 March 2017
Discount rate	7.50%
Future salary growth	5.00%
Attrition rate	2% to 5%

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	As at 31 March 2017	
	Increase in %	Decrease in %
Discount rate (1% movement)	(13.38)	15.48
Future salary growth (1% movement)	15.26	(13.37)
Attrition rate (1% movement)	2.53	(2.88)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

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Notes forming part of the consolidated financial statements for the year ended 31 March 2017

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32 Non-controlling interests

The following table summarises the information regarding the Group's subsidiary that has material NCI, before any intra-group eliminations:

Particulars	As at 31 March 2017 Rajprotim Supply Chains Solutions Limited	Total
NCI percentage	24%	
Non-current assets	689.79	
Current assets	1,911.69	
Non-current liabilities	(5.35)	
Current liabilities	(1,173.63)	
Net assets	**1,422.50**	
Net assets attributable to NCI	**341.40**	**341.40**
Revenue	3,441.01	
Profit	122.50	
OCI	-	
Total comprehensive income	122.50	
Profit allocated to NCI	29.40	
OCI allocated to NCI	-	
Total comprehensive income allocated to NCI	**29.40**	**29.40**
Cash flows used in operating activities	(1,478.31)	
Cash flows used in investing activities	(69.78)	
Cash flows from financing activities	1,285.13	
Net cash increase in cash and cash equivalents	**(262.96)**	

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013 - 'General instructions for the preparation of consolidated financial statements ' of Division II of Schedule III

As at 31 March 2017

Particulars	As % of consolidated assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	Amount
Parent:							
Proconnect Supply Solutions Limited	76.83%	4,715.76	93.85%	1,869.58	100%	(28.67)	1,840.91
Subsidiaries:							
Rajprotim Supply Solutions Limited	23.17%	1,422.50	6.15%	122.50	0.00%	-	122.50
At 31 March 2017	**100.00%**	**6,138.27**	**100.00%**	**1,992.08**	**100.00%**	**(28.67)**	**1,963.41**

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

33 Financial instruments - Fair values and risk management

A. Accounting classification and fair values

	As at 31 March 2017			
	Note	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets not measured at fair value				
Cash and cash equivalents	19	-	-	150.13
Other bank balances	20	-	-	300.00
Loans	22	-	-	1,000.00
Trade receivables	18	-	-	4,215.07
Deposits and other receivables	21	-	-	1,690.06
Other financial assets	23	-	-	441.48
Total financial assets		-	-	**7,796.74**
Financial liabilities not measured at fair value				
Trade payables	28	-	-	1,061.45
Borrowings	27	-	-	1,470.11
Other financial liabilities	29	-	-	679.18
Total financial liabilities		-	-	**3,210.74**

Note: The Group has not disclosed fair values of financial instruments such as cash and cash equivalents, other bank balances, loans, trade receivables, deposits and other receivables, other financial assets, trade payables, borrowings and other financial liabilities, because their carrying amounts are reasonable approximations of their fair values.

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a)

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

a. Financial assets and liabilities measured at amortised cost

The financial instruments that have been measured at amortised costs are fair valued using Level 2 hierarchy. The Group has not disclosed the fair values for certain financial instruments measured at amortised costs as such as trade receivables and payables and other items (refer note 33A), because their carrying amounts are a reasonable approximation of fair value.

	As at 31 March 2017		
	Level 1	**Level 2**	**Level 3**
Financial assets not measured at fair value			
Security deposits	-	1,690.06	-
	-	**1,690.06**	-

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33 Financial instruments - Fair values and risk management (contd.)

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:
- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers; loans and investments in debt securities.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Group's trade receivables, certain loans and advances and other financial assets.

The maximum exposure to credit risk for trade and other receivables are as follows:

	Carrying amount
	As at 31 March 2017
Trade receivables	4,215.07
Unbilled revenue	813.42
Total trade and other receivables	**5,028.49**
Cash and bank balances	150.13
Other bank balances	300.00
Loans	1,000.00
Deposits and other receivables (excluding unbilled revenue)	876.64
Advance for purchase of shares	312.00
Insurance claim receivable	83.27
Others	46.21
Total	**7,796.74**

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full except to the extent already provided, based on historical payment behavior and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Group determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available press information about customers. In order to calculate the loss allowance, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency through write-off. Roll rates are calculated separately for exposures in different stages of delinquency primarily determined based on the time period for which they are past due.

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33 Financial instruments - Fair values and risk management (contd.)

C. Financial risk management (contd.)

ii. Credit risk (contd.)

Receivables from customers that individually constituted more than 10% of the Group's receivables are as follows:

	As at 31 March 2017
Customer A	634.61

The ageing of trade receivables that were not impaired as at the reporting date was:

As at 31 March 2017

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit-impaired
Not due	2,975.95	0.00%	-	No
Past due 1-30 days	813.06	0.00%	-	No
Past due 31-60 days	272.99	0.00%	-	No
Past due 61-90 days	118.29	0.00%	-	No
Past due 91-120 days	26.75	0.00%	-	No
Past due for more than 120 days	22.63	64.52%	(14.60)	No
Total	**4,229.67**		**(14.60)**	**-**

Movements in the allowance for impairment in respect of trade receivables and loans
The movement in the allowance for impairment in respect of trade receivables and loans is as follows:

	As at 31 March 2017
Balances at 1 April	4.05
Provision for the year	10.55
Balance at 31 March	**14.60**

Cash and bank balances (includes amounts classified under other bank balances and deposits and other receivables
The Group holds cash and bank balances of INR 450.13 lakhs at 31 March 2017. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

Security deposits
This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Group for carrying out its operations. The Group does not expect any losses from non-performance by these counter-parties.

iii. Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

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

33 Financial instruments - Fair values and risk management (contd.)

C. Financial risk management (contd.)

iv. Market risk

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Carrying amount	Contractual cash flows					
		Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
As at 31 March 2017							
Non derivative financial liabilities							
Secured loans:							
- Cash credit facilities	1,470.11	1,470.11	1,470.11	-	-	-	-
Trade payables	1,061.45	1,061.45	1,061.45	-	-	-	-
Other financial liabilities	679.18	679.18	679.18		-	-	-
	3,210.74	**3,210.74**	**3,210.74**	-	-	-	-

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the Group's income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and optimising the return.

The following table analyzes foreign currency risk from financial instruments:

	As at 31 March 2017	
	INR	USD
Financial assets:		
Trade receivables	3,796.97	418.10
Unbilled receivables	813.42	-
Loans	1,000.00	-
Cash and cash equivalents	150.13	-
Other bank balances	300.00	-
Other financial assets		
- Security deposits	876.64	-
- Advance for purchase of shares	312.00	-
- Insurance claim receivable	83.27	-
- Others	46.21	-
Financial liabilities:		
Short term borrowings	(1,470.11)	-
Trade payables	(1,061.45)	-
Purchase consideration (refer note 38)	(370.55)	
Employee benefits payable	(255.57)	-
Advance from customers	(16.27)	-
Others	(36.79)	-
Net assets / (liabilities)	**4,167.89**	**418.10**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar against INR at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit / (loss)		Equity, net of tax	
	Strength-ening	Weakening	Strengthening	Weakening
31 March 2017				
USD (1% movement)	4.18	(4.18)	-	-

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

33 Financial instruments - Fair values and risk management (contd.)

C. Financial risk management (contd.)

Interest rate risk

Interest rate risk is the risk that an upward movement in interest rate would adversely affect the borrowing costs. The Group manages interest rate risk by constantly monitoring the sensitivity of the financial assets and liabilities to various standard and non-standard interest rate scenarios.

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

Variable-rate instruments

	As at 31 March 2017
Financial liabilities- Secured loan	470.11
Financial liabilities- Unsecured loan	1,000.00
	1,470.11

Interest rate risk

The Group has only one type of variable rate instrument i.e. cash credit facility being used for cash management purposes. Group's exposure to variable rate instruments is insignificant.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

Fixed rate instruments

	As at 31 March 2017
Financial assets - Loans	1,000.00
Financial liabilities- Unsecured loan	(1,000.00)
	-

Variable rate instruments

	As at 31 March 2017
Financial liabilities- Secured loan	470.11
	470.11

Cash flow sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basis points (bp) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Effect on profit and loss before tax	
	100 bp increase	**100 bp decrease**
31 March 2017		
Variable-rate instrument	(4.70)	4.70
Cash flow sensitivity (net)	**(4.70)**	**4.70**

34 Operating leases

A. Leases as lessee

The Group has taken on lease a number of offices and warehouse facilities under operating leases. The leases are for varied periods, which are renewable at the option of the Group.

i. Amounts recognised in profit or loss

	Year ended 31 March 2017
Lease expense - minimum lease payments	2,730.22

ii. Future minimum lease payments

At 31 March, the future minimum lease payments to be made under non-cancellable operating

	As at 31 March 2017
Payable in less than one year	370.08
Payable between one and five years	324.21
	694.29

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

35 Capital commitments and contingent liabilities

	As at March 31 2017
Estimated amount of contracts remaining to be executed on capital	37.66

36 Related parties

(i) Names of related parties and description of relationship

Nature of Relationship	Name of the Party
Holding company	Redington (India) Limited
Associate companies	Cadensworth (India) limited
	Ensure Support Services (India) Limited
Holding company's trust	Foundation for CSR @ Redington
Key Managerial Personnel	Dr. R. Arunachalam, Chief executive officer
	Mr. Kasi Viswanathan, Chief finance officer

B. Transaction with key managerial personnel

Key management personnel of the Group comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel compensation during the year are as follows:

	For the year ended 31 March 2017
Short term employee benefits	106.65
Post-employment defined benefits	*
Compensated absences	*
Total	**106.65**

Compensation of the Group's key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (see Note 9).

* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

C. Related party transactions other than those with key managerial personnel

	Transaction value	Receivable / Payable
	For the year ended 31 March 2017	As at 31 March 2017
Sale of goods and services		
Holding Company	6,069.30	994.62
Associate companies		
Cadensworth (India) Limited	206.23	17.02
Purchase of Fixed Assets		
Cadensworth (India) Limited	5.50	-
Rental Expenses		
Holding company	272.64	37.92
Service charges		
Holding company	76.37	-

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36 Related parties (contd.)

C. Related party transactions other than those with key managerial personnel (contd.)

	Transaction value	Receivable / Payable
	For the year ended 31 March 2017	As at 31 March 2017
Interest expense		
Holding company	21.40	-
Service charges		
Cadensworth (India) Limited	4.20	-
Interest expense		
Cadensworth (India) Limited	5.04	-
Service charges		
Ensure Support Services India Limited	7.54	0.53
Rental Expenses		
Ensure Support Services India Limited	23.43	-
Reimbursement of expense		
Cadensworth (India) Limited	9.56	-
Ensure Support Services India Limited	8.90	-
Rental Income		
Ensure Support Services India Limited	23.44	-
Proceeds from issue of equity shares		
Holding company	1,500.48	-
Loan taken		
Holding company	3,300.00	1,000.00
Loan repaid		
Holding company	2,300.00	-
Dividend paid		
Holding company	182.00	-

37 Earnings in foreign currency (on accrual basis)

	For the year ended 31 March 2017
Revenue from services	1,239.00

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38 Acquisition of customer contracts from Rajprotim Agencies Private Limited ('RAPAL')

The Group entered into a Business Transfer and Share Subscription Agreement ('BTSSA') on 21 December 2016 with RAPAL and Mr. Partha Pratim Banerjee ('PPB') to acquire a set 53 identified customer contracts from RAPAL for a fixed purchase consideration of Rs. 500 lakhs. Pursuant to such agreement RAPAL has transferred 38 contracts to the Company till 31 March 2017. The company has accounted for the transfer of the aforesaid customer contracts as acquisition of intangible assets and consequently, capitalised a sum of 370.55 lacs (refer note 16) with a corresponding liability for the same amount (refer note 29). These customer contracts will be amortised over a period of 5 years which represents the estimated useful life over which the contracts are expected to provide economic benefits to the Company. The amount capitalised represents the proportionate value of the consideration payable for the contracts transferred to the Company as at 31 March 2017. Under the terms of the contract the purchase consideration is payable to RAPAL within a period of 90 days from the date of the transfer of the last identified customer contract. The Company expects to complete the transfer process in the forthcoming year and consequently pay out the purchase consideration noted above.

39 Transfer pricing

The Group has transactions with related parties. For the financial year 2016-17, 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 consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

40 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 Group's suppliers are covered under the MSMED and accordingly, disclosure of information relating to principal, interest accruals and payments are not applicable.

Particulars	For the year ended 31 March 2017
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-

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Proconnect Supply Chain Solutions Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2017

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

41 Disclosure of specified bank notes

During the year, the Group has specified bank notes or other denomination note as defined in the MCA Notification G.S.R 308(E) dated 31 March 2017 on the details of specified bank notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016. The denomination wise SBN and other notes as per the notification are given below:

Particulars	SBNs	Other denomination Notes	Total
Closing cash in hand as on 8 Nov 2016	1.00	12.67	13.67
Add: Permitted receipts	-	27.50	27.50
Less: Permitted payments	(0.18)	(22.71)	(22.89)
Less: Amount deposited in banks (net of withdrawal)	(0.82)	-	(0.82)
Closing cash in hand as on 30 December 2016	-	**17.46**	**17.46**

For the purpose of this clause, the term specified bank note shall have the same meaning provided in the notification of the Government of India, the Ministry of Finance - Department of Economic Affairs No. S.O.3407 (E), dated November 8, 2016.

42 There are no subsequent events that have occurred after the reporting period till the date of approval of these consolidated financial statements.

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

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date: 19 May 2017

for and on behalf of the board of directors of
Proconnect Supply Chain Solutions Limited

Kasturi Rangan E.H
Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Kasi Viswanathan P.S
Chief financial officer
Place: Chennai
Date: 19 May 2017

Vignesh Kumar S M
Company secretary

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Balance Sheet as at 31 March 2017

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

	Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Assets				
Non-current assets				
Property, plant and equipment	14	362.75	359.60	454.96
Intangible assets	15	16.64	19.84	35.94
Financial assets				
Investments	16	0.20	0.20	0.20
Deposits and other receivables	21	243.98	236.38	249.68
Deferred tax assets	13	258.44	232.40	118.08
Income tax assets, net		81.83	81.83	-
Other non-current assets	22	32.95	22.65	61.27
Total non-current assets		**996.79**	**952.90**	**920.13**
Current assets				
Inventories	18	225.59	444.81	400.58
Financial assets				
Investments	16	476.53	-	-
Trade receivables	17	3,020.55	2,823.74	3,144.36
Cash and cash equivalents	19	460.33	1,490.80	192.77
Other bank balances	20	15.82	8.83	58.80
Deposits and other receivables	21	899.65	1,345.98	1,341.36
Other current assets	22	480.95	637.36	329.99
Total current assets		**5,579.42**	**6,751.52**	**5,467.86**
Total assets		**6,576.21**	**7,704.42**	**6,387.99**
Equity and liabilities				
Equity				
Equity share capital	23	450.00	450.00	205.00
Other equity				
Retained earnings		1,472.13	752.97	478.74
Others (including items of other comprehensive income)		29.41	29.97	-
Total equity		**1,951.54**	**1,232.94**	**683.74**
Liabilities				
Non-current liabilities				
Provisions	30	275.61	256.03	296.55
Total non-current liabilities		**275.61**	**256.03**	**296.55**

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Balance Sheet as at 31 March 2017

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

	Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current liabilities				
Financial liabilities				
Borrowings	25	250.00	855.62	795.00
Trade payables	27	2,118.22	2,123.40	3,173.40
Other financial liabilities	28	1,431.00	2,360.20	384.53
Deferred income	26	399.22	772.60	955.61
Provisions	30	17.60	17.61	8.65
Income tax liabilities		25.76	-	5.12
Other current liabilities	29	107.26	86.02	85.39
Total current liabilities		**4,349.06**	**6,215.45**	**5,407.70**
Total liabilities		**4,624.67**	**6,471.48**	**5,704.25**
Total equity and liabilities		**6,576.21**	**7,704.42**	**6,387.99**
Significant accounting policies	3			

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: 19 May 2017

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

S V Rao
Director
DIN 06600739

S V Krishnan
Director
DIN 07518349

Place: Chennai
Date: 19 May 2017

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Statement of Profit and Loss for the year ended 31 March 2017

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

	Note	Year ended 31 March 2017	Year ended 31 March 2016
Revenue			
Revenue from operations	6	12,357.08	12,925.12
Other Income	7	173.87	309.80
Total income		**12,530.95**	**13,234.92**
Expenses			
Cost of spares consumed	8	3,205.62	3,548.35
Employee benefit expense	9	2,805.88	2,932.23
Finance costs	10	31.09	125.81
Depreciation and amortisation expense	11	203.46	212.18
Other expenses	12	5,213.48	5,991.25
Total expenses		**11,459.53**	**12,809.82**
Profit before income tax		**1,071.42**	**425.10**
Income tax	13		
Current tax		378.00	280.00
Deferred tax/ (benefit)		(25.74)	(129.13)
Income tax expense		**352.26**	**150.87**
Profit for the year		**719.16**	**274.23**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability (asset)		(0.86)	44.78
Income tax expense / (benefit) relating to items that will not be reclassified to profit or loss		(0.30)	14.81
Other comprehensive income for the year, net of income tax		**(0.56)**	**29.97**
Total comprehensive income for the year		**718.60**	**304.20**
Earnings per share			
Basic earnings per share (in INR)	24	15.98	6.92
Diluted earnings per share (in INR)	24	15.98	6.92
Significant accounting policies	3		

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

As per our report of even date attached
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Sethuraman

S Sethuraman
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Membership No. 203491

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Date: 19 May 2017

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DIN 07518349

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Date: 19 May 2017

ENSURE SUPPORT SERVICES (INDIA) LIMITED

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Statement of Cash Flows for the year ended 31 March 2017

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

	Note	Year ended 31 March 2017	Year ended 31 March 2016
Cash flows from operating activities			
Profit for the year		1,071.42	425.10
Adjustments for:			
Depreciation and amortisation		203.46	212.18
Impairment loss on financial assets		43.76	266.48
Loss / (gain) on sale of property, plant and equipment		16.47	(4.55)
Change in fair value of investment		(26.53)	-
Finance costs		31.09	125.81
Interest income		(52.77)	(27.99)
		1,286.90	**997.03**
Working capital adjustments:			
Decrease/ (increase) in inventories		219.22	(44.23)
(Increase) decrease in trade receivables		(240.57)	54.14
Decrease/ (increase) in deposit and other receivables and other current / non current assets		610.46	(236.11)
(Decrease)/ increase in other current and financial liabilities, current / non current provisions		(898.14)	972.87
(Decrease)/ increase in deferred income		(373.38)	(183.01)
Cash generated from operating activities		**604.49**	**1,560.69**
Income tax paid (net)		(352.24)	(366.95)
Net cash generated from / (used in) operating activities (A)		**252.25**	**1,193.74**
Cash flow from investing activities			
Interest received		27.15	4.03
Proceeds from sale of property, plant and equipment		30.91	46.97
Acquisition of property, plant and equipment		(250.79)	(143.14)
Redemption of bank deposits (having original maturity of more than three months)		(6.99)	49.97
Proceeds from sale of other investment		1,370.00	-
Acquisition of other investment		(1,820.00)	-
Net cash generated from / (used in) investing activities (B)		**(649.72)**	**(42.17)**
Cash flow from financing activities			
Interest paid		(27.38)	(159.16)
Proceeds from issue of equity share capital		-	245.00
Proceeds from borrowings, net		250.00	500.00
Repayment of borrowings		(500.00)	(795.00)
Net cash generated from / (used in) financing activities (C)		**(277.38)**	**(209.16)**
Net decrease in cash and cash equivalents (A+B+C)		**(674.85)**	**942.41**
Cash and cash equivalents at 1 April	19	1,135.18	192.77
Cash and cash equivalents at 31 March	19	**460.33**	**1,135.18**
Significant accounting policies	3		

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
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Sethuraman

S Sethuraman
Partner
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Place: Chennai
Date: 19 May 2017

for and on behalf of the board of directors of
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Date: 19 May 2017

ENSURE SUPPORT SERVICES (INDIA) LIMITED

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Statement of Changes in Equity for the year ended 31 March 2017

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

(a) Equity share capital

Particulars	No. of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
Balance as at 1 April 2015	**2,050,000**	**205.00**
Changes in equity share capital during the year	2,450,000	245.00
Balance as at 31 March 2016	**4,500,000**	**450.00**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2017	**4,500,000**	**450.00**

(b) Other equity

Particulars	Retained earnings	Items of OCI comprising of actuarial gain/(loss) on defined benefit obligations	Total equity
Balance as at 1 April 2015	**478.74**	-	**478.74**
Profit for the year	274.23	-	274.23
Other comprehensive income/(loss) for the year	-	29.97	29.97
Balance as at 31 March 2016	**752.97**	**29.97**	**782.94**
Profit for the year	719.16	-	719.16
Other comprehensive income/(loss) for the year	-	(0.56)	(0.56)
Balance as at 31 March 2017	**1,472.13**	**29.41**	**1,501.54**

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
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Sethuraman

S Sethuraman
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Place: Chennai
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Place: Chennai
Date: 19 May 2017

ENSURE SUPPORT SERVICES (INDIA) LIMITED

1 Background

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 Basis of preparation

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements upto and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, *First time adoption of Indian Accounting Standards* has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 4.

These financial statements were authorised for issue by the Company's Board of Directors on 19 May 2017.

Details of the Company's accounting policies are included in Note 3.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
- Certain financial assets and liabilities	Fair value

2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2017 is included in the following notes:

- Note 30 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 31 – impairment of financial assets.

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Notes forming part of the financial statements for the year ended 31 March 2017

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

2 Basis of preparation (contd.)

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 31 – financial instruments

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3 Significant accounting policies

3.1 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

3.2 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★

3 Significant accounting policies (contd.)

3.2 Financial instruments (contd.)

ii. Classification and subsequent measurement (contd.)

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★

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ENSURE SUPPORT SERVICES (INDIA) LIMITED

Notes forming part of the financial statements for the year ended 31 March 2017

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

3 Significant accounting policies (contd.)

3.3 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 4).

iii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

The estimated useful lives (in years) for the current and comparative periods are as follows:

Asset	Management estimate of useful life
Plant and Machinery	5 years
Computer and accessories	3 years
Furniture and office equipments	4 years
Vehicles	5 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided from the month of additions (upto) the date on which asset is ready for use (disposed of).

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★

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3 Significant accounting policies (contd.)

3.4 Intangible assets

i. Intangible assets

Intangible assets acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

iv. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.
The estimated useful lives are as follows:

Asset	Useful life
Software	3 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs of inventory is determined using the weighted average method and cost of inventories comprise all cost of purchase and other cost incurred in bringing the inventories to the present location and condition, net of discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★

3 Significant accounting policies (contd.)

3.6 Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:
- financial assets measured at amortised cost

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the counter party will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:
- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12 month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward - looking information.

The Company considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★

3 Significant accounting policies (contd.)

3.6 Impairment (contd.)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax 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. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

3.7 Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

B S R & Co. LLP
Chartered Accountants

ENSURE SUPPORT SERVICES (INDIA) LIMITED

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Notes forming part of the financial statements for the year ended 31 March 2017

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

3 Significant accounting policies (contd.)

3.7 Employee benefits (contd.)

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and Employees State Insurance Scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss under finance costs and employee benefit expenses respectively.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

3.8 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★

3 Significant accounting policies (contd.)

3.9 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 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.

3.10 Leases

i. Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

ii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.11 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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3 Significant accounting policies (contd.)

3.12 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits, if any. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse.
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is 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 the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax 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 are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.13 Cash and cash equivalents

Cash and cash equivalent comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as other bank balances.

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4 Explanation of transition to Ind AS

As stated in Note 2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2015.

In preparing its Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A Optional exemptions availed

Property plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, *Intangible Assets*, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment and intangible assets. The same election has been made in respect of intangible assets also.

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Notes forming part of the financial statements for the year ended 31 March 2017

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

4 Explanation of transition to Ind AS (contd.)

B Mandatory exceptions

a. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL
- Impairment of financial Assets based on the expected credit loss model
- Determination of discount value for financial instruments carried at amortised cost

b. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that existed on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

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Notes forming part of the financial statements for the year ended 31 March 2017

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4 Explanation of transition to Ind AS (contd.)

C. Reconciliation of equity

	As at 1 April 2015 (date of transition)			As at 31 March 2016		
	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Assets						
Non-current assets						
Property, plant and equipment	454.96	-	454.96	359.60	-	359.60
Intangible assets	35.94	-	35.94	19.84	-	19.84
Financial assets						
Investments	0.20	-	0.20	0.20	-	0.20
Deposits and other receivables	309.41	(59.73)	249.68	279.38	(43.00)	236.38
Deferred tax assets	117.23	0.85	118.08	231.00	1.40	232.40
Income tax assets, net	-	-	-	81.83	-	81.83
Other non-current assets	29.51	31.76	61.27	0.19	22.46	22.65
Total non-current assets	**947.25**	**(27.12)**	**920.13**	**972.04**	**(19.14)**	**952.90**
Current assets						
Inventories	400.58	-	400.58	444.81	-	444.81
Financial assets						
Trade receivables	3,144.36	-	3,144.36	2,823.74	-	2,823.74
Cash and cash equivalents	192.77	-	192.77	1,490.80	-	1,490.80
Other bank balances	58.80	-	58.80	8.83	-	8.83
Deposits and other receivables	1,341.36	-	1,341.36	1,354.53	(8.55)	1,345.98
Other current assets	304.48	25.51	329.99	612.32	25.04	637.36
Total current assets	**5,442.35**	**25.51**	**5,467.86**	**6,735.03**	**16.49**	**6,751.52**
Total assets	**6,389.60**	**(1.61)**	**6,387.99**	**7,707.07**	**(2.65)**	**7,704.42**

	As at 1 April 2015 (date of transition)			As at 31 March 2016		
	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Equity and liabilities						
Equity						
Equity share capital	205.00	-	205.00	450.00	-	450.00
Other equity						
Retained earnings	480.35	(1.61)	478.74	785.59	(32.62)	752.97
Others (including OCI)	-	-	-	-	29.97	29.97
Total equity	**685.35**	**(1.61)**	**683.74**	**1,235.59**	**(2.65)**	**1,232.94**
Non-current liabilities						
Financial liabilities						
Other financials liabilities	-	-	-	-	-	-
Provisions	296.55	-	296.55	256.03	-	256.03
Total non-current liabilities	**296.55**	**-**	**296.55**	**256.03**	**-**	**256.03**

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Notes forming part of the financial statements for the year ended 31 March 2017

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

4 Explanation of transition to Ind AS (contd.)

C. Reconciliation of equity (contd.)

	As at 1 April 2015 (date of transition)			As at 31 March 2016		
	Previous GAAP*	Adjustment on transition to Ind AS	**Ind AS**	Previous GAAP*	Adjustment on transition to Ind AS	**Ind AS**
Current liabilities						
Financial liabilities						
Borrowings	795.00	-	795.00	855.62	-	855.62
Trade payables	3,173.40	-	3,173.40	2,123.40	-	2,123.40
Other financial liabilities	384.53	-	384.53	2,360.20	-	2,360.20
Deferred income	955.61	-	955.61	772.60	-	772.60
Provisions	8.65	-	8.65	17.61	-	17.61
Income tax liabilities	5.12	-	5.12	-	-	-
Other current liabilities	85.39	-	85.39	86.02	-	86.02
Total current liabilities	**5,407.70**	**-**	**5,407.70**	**6,215.45**	**-**	**6,215.45**
Total liabilities	**5,704.25**	**-**	**5,704.25**	**6,471.48**	**-**	**6,471.48**
Total equity and liabilities	**6,389.60**	**(1.61)**	**6,387.99**	**7,707.07**	**(2.65)**	**7,704.42**

Reconciliation of total comprehensive income for the year ended 31 March 2016

	Year ended 31 March 2016		
	Previous GAAP*	**Adjustment on transition to Ind AS**	**Ind AS**
Revenue from operations	12,925.12	-	12,925.12
Other income	285.84	23.96	309.80
Total income	**13,210.96**	**23.96**	**13,234.92**
Expenses			
Cost of material consumed	3,548.35	-	3,548.35
Employee benefit expense	2,911.87	20.36	2,932.23
Finance costs	101.39	24.42	125.81
Depreciation and amortisation expense	212.18	-	212.18
Other expenses	5,965.69	25.56	5,991.25
Total expenses	**12,739.48**	**70.34**	**12,809.82**
Profit before tax	471.48	(46.38)	425.10
Current tax	280.00	-	280.00
Deferred tax	(113.77)	(15.36)	(129.13)
Income tax expense	**166.23**	**(15.36)**	**150.87**
Profit for the year	**305.25**	**(31.02)**	**274.23**

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Notes forming part of the financial statements for the year ended 31 March 2017

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

4 Explanation of transition to Ind AS (contd.)

Reconciliation of comprehensive income for the year ended 31 March 2016

Other comprehensive income	
Items that will not be reclassified subsequently to profit or loss	
Remeasurement of defined benefit liability(asset)	44.78
Income tax relating to items that will not be reclassified to profit or loss	(14.81)
Net other comprehensive income not to be classified to profit or loss	**29.97**
Other comprehensive income for the period, net of income tax	**29.97**
Total comprehensive income for the period	**304.20**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Note to the reconciliations

a. Actuarial gain or loss

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under previous GAAP, the Company recognised actuarial gains and losses in profit or loss. However, this has no impact on the total comprehensive income and total equity as on 1 April 2015 or as on 31 March 2016.

b. Impact of determination of amortized cost for certain rental and other deposits

Based on IndAS 109 financial assets in the form of rental and other deposits have been accounted at amortized cost using the effective interest rate method. The difference between the amortized cost and the principal value of the rental and other deposits were treated as prepaid rent and amortised over their respective term.

The impact arising from the change is summarised as follows:

	Year ended 31 March 2016
Profit or loss:	
Other income – Recognition of interest income on rental and other deposits on amortised cost basis	23.96
Other expenses – Amortisation of prepaid rent referred above	(25.56)
Reclassification of actuarial gains to OCI	(44.78)
Adjustment before income tax	**(46.38)**
Tax on above at the applicable tax rate	**15.36**
Adjustment after income tax	**(31.02)**

	As at 1 April 2015	As at 31 March 2016
Balance sheet		
Deposits and other receivables (non current)	(59.73)	(43.00)
Deposits and other receivables (current)	-	(8.55)
Prepaid rent (included under other non current assets)	31.76	22.46
Prepaid rent (included under other current assets)	25.51	25.04
Adjustment to retained earnings before related tax effects	**(2.46)**	**(4.05)**

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4 Explanation of transition to Ind AS (contd.)

Note to the reconciliations (contd.)

c. Income-tax

The above changes increased the deferred tax assets as follows based on the applicable tax rate:

Retained earnings

	1 April 2015	31 March 2016
Net impact of recognising rental and other deposits at amortised cost basis	0.85	1.40
(Decrease) Increase in deferred tax assets	**0.85**	**1.40**

d. Total equity

The above changes (decreased) increased total equity as follows:

	1 April 2015	31 March 2016
Net impact of recognising rental and other deposits at amortised cost basis	(2.46)	(4.05)
Tax effects on above adjustments	0.85	1.40
Increase in total equity	**(1.61)**	**(2.65)**

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5 Operating segments

The Company is engaged in only one business namely providing warranty, post warranty and maintenance contract services. The entity's chief operating decision maker considers the Company as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Company does not have multiple segments and these financial statements are reflective of the information required by Ind AS 108.

A. Geographic information :

The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographical information, revenue has been determined based on the geographic location of the customers.

	Year ended 31 March 2017	Year ended 31 March 2016
India	10,318.20	11,163.89
USA	1,306.04	1,171.02
Rest of the world	732.84	590.21
	12,357.08	**12,925.12**

The Company's operations are entirely carried our of India and as such all its non-current assets are located in India.

B. Major Customers

Revenue from customers that individually constituted more than 10% of the Company's revenue are as follows:

	Year ended 31 March 2017	Year ended 31 March 2016
Customer A	1,531.86	1,482.45
Customer B	1,289.84	1,138.03
Customer C	860.32	2,798.14

6 Revenue from operations

	Year ended 31 March 2017	Year ended 31 March 2016
Sale of spares	22.65	56.74
Rendering of services		
Warranty services	4,923.98	6,685.83
Annual maintenance contracts	6,169.09	4,809.80
Others	1,137.63	1,355.47
Other operating revenue		
Scrap sales	103.73	17.28
	12,357.08	**12,925.12**

7 Other income

	Year ended 31 March 2017	Year ended 31 March 2016
Interest income on		
Cash and cash equivalents	27.15	4.03
Security deposit at amortised cost	25.62	23.96
Gain on sale of investments (net)	18.61	-
Net change in fair value of financial assets at FVTPL	7.92	-
Net gain on sale of property, plant and equipment	-	4.55
Insurance claim received	94.57	277.26
	173.87	**309.80**

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Notes forming part of the financial statements for the year ended 31 March 2017

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

8 Cost of spares consumed

	Year ended 31 March 2017	Year ended 31 March 2016
Spares at the beginning of the year	444.81	400.58
Add: Purchases	2,986.40	3,592.58
Less: Spares at the end of the year	(225.59)	(444.81)
Cost of spares consumed during the year	**3,205.62**	**3,548.35**

9 Employee benefit expense

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages and bonus	2,434.37	2,516.72
Contribution to provident and other funds	215.34	237.45
Expenses related to post-employment defined benefit plans	41.45	34.61
Expenses related to compensated absences	22.64	4.63
Staff welfare expenses	92.08	138.82
	2,805.88	**2,932.23**

10 Finance costs

	Year ended 31 March 2017	Year ended 31 March 2016
Interest on working capital loan	4.74	18.32
Interest on cash credit facilities	1.72	46.01
Interest on loan from holding company	4.11	37.06
Others	20.52	24.42
	31.09	**125.81**

11 Depreciation and amortisation expense

	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation of property, plant and equipment (refer note 14)	183.39	195.69
Amortisation of intangible assets (refer note 15)	20.07	16.49
	203.46	**212.18**

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Notes forming part of the financial statements for the year ended 31 March 2017

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

12 Other expenses

	Year ended 31 March 2017	Year ended 31 March 2016
Outsourced manpower cost	2,112.91	2,609.47
Rent	713.32	698.86
Freight and packing charges	565.75	605.74
Warranty charges paid to partners	517.09	462.82
Utilities	145.52	158.37
Repairs and maintenance:		
Buildings	39.24	24.09
Plant and machinery	9.19	10.10
Other assets	154.85	150.65
Traveling and conveyance	271.92	264.23
Security charges	154.05	187.16
Printing and stationery	52.34	73.96
Communication expenses	142.18	211.39
Rates and taxes	83.24	114.19
Legal and professional charges	48.62	32.16
Insurance	44.21	21.68
Bank charges	7.03	11.93
Payment to auditors (see note (i) below)	7.92	8.09
CSR expenditure (see note (ii) below)	9.33	6.60
Net loss on foreign currency transactions	6.57	7.27
Net loss on sale of property, plant and equipment	16.47	-
Advertising and sales promotion	22.83	7.70
Impairment loss on financial assets	43.76	266.48
Miscellaneous expenses	45.14	58.31
	5,213.48	**5,991.25**

i. Payment to auditors

	Year ended 31 March 2017	Year ended 31 March 2016
As auditor:		
Statutory audit	4.50	4.50
Tax audit	0.50	0.50
For other services	2.50	2.50
Reimbursement of expenses	0.42	0.59
	7.92	**8.09**

ii. Details of corporate social responsibility expenditure

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

	Year ended 31 March 2017	Year ended 31 March 2016
(a) Amount required to be spent by the Company during the year	9.33	6.60
(b) Amount spent during the year		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	9.33	6.60

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Notes forming part of the financial statements for the year ended 31 March 2017

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

13 Income tax

A. Amounts recognized in profit or loss

	Year ended 31 March 2017	Year ended 31 March 2016
Current tax		
Current tax on profits for the year	378.00	280.00
Total current tax expense	**378.00**	**280.00**
Deferred tax		
Attributable to origination and reversal of temporary differences	(25.74)	(129.13)
Total deferred tax expense / (benefit)	**(25.74)**	**(129.13)**
Income tax expense	**352.26**	**150.87**

B. Reconciliation of effective tax rate

	As at 31 March 2017		As at 31 March 2016	
Profit before income tax expense		**1,071.42**		**425.10**
Tax using the Company's domestic tax	34.61%	370.80	33.06%	140.55
Effect of:				
Impact of change in tax rates	-1.11%	(11.88)	0.00%	-
Others	-0.62%	(6.66)	2.43%	10.32
Effective tax rate / tax expense	**32.88%**	**352.26**	**35.49%**	**150.87**

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Notes forming part of the financial statements for the year ended 31 March 2017

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

13 Income tax (contd.)

C. Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)		Deferred tax liabilities		Net Deferred tax (assets) liabilities	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Property, plant and equipment	23.88	14.39	-	-	23.88	14.39
Trade receivables	115.32	95.70	-	-	115.32	95.70
Provisions - employee benefits	117.62	122.28	-	-	117.62	122.28
Other items	1.62	0.03	-	-	1.62	0.03
Net deferred tax (assets) liabilities	**258.44**	**232.40**	**-**	**-**	**258.44**	**232.40**

Movement in temporary differences:

	Balance as at 1 April 2015	Recognized in profit or loss during 2015-16	Recognized in OCI 2015-16	Balance as at 31 March 2016	Recognized in profit or loss during 2016-17	Recognized in OCI 2016-17	Balance as at 31 March 2017
Property, plant and equipment	3.47	10.92	-	14.39	9.49	-	23.88
Trade receivables	7.46	88.24	-	95.70	19.62	-	115.32
Provisions - employee benefits	106.25	30.84	14.81	122.28	(4.96)	0.30	117.62
Other items	0.90	(0.87)	-	0.03	1.59	-	1.62
	118.08	**129.13**	**14.81**	**232.40**	**25.74**	**0.30**	**258.44**

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Notes forming part of the financial statements for the year ended 31 March 2017

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

14 Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended 31 March 2017:

	Plant and machinery	Office equipments	Computer	Furnitures and fixtures	Vehicles	Total
Deemed cost (Gross carrying amount)						
Balance at 1 April 2015	75.02	30.74	186.04	124.44	38.72	454.96
Additions	18.93	9.17	50.22	46.41	18.02	142.75
Disposals / write-off	(6.12)	(4.98)	(8.50)	(3.50)	(24.85)	(47.95)
Balance at 31 March 2016	**87.83**	**34.93**	**227.76**	**167.35**	**31.89**	**549.76**
Additions	19.38	50.84	98.35	24.80	40.55	233.92
Disposals / write-off	(16.86)	(6.97)	(38.89)	(32.76)	(2.27)	(97.75)
Balance at 31 March 2017	**90.35**	**78.80**	**287.22**	**159.39**	**70.17**	**685.93**
Accumulated depreciation						
Balance at 1 April 2015	-	-	-	-	-	-
Additions	22.24	8.36	107.86	49.81	7.42	195.69
Disposals / write-off	(0.17)	(1.65)	(0.21)	(0.28)	(3.22)	(5.53)
Balance at 31 March 2016	**22.07**	**6.71**	**107.65**	**49.53**	**4.20**	**190.16**
Additions	23.39	16.13	95.15	37.84	10.88	183.39
Disposals / write-off	(5.82)	(2.71)	(28.34)	(12.48)	(1.02)	(50.37)
Balance at 31 March 2017	**39.64**	**20.13**	**174.46**	**74.89**	**14.06**	**323.18**
Carring amount (net)						
As at 1 April 2015	75.02	30.74	186.04	124.44	38.72	454.96
As at 31 March 2016	65.76	28.22	120.11	117.82	27.69	359.60
As at 31 March 2017	**50.71**	**58.67**	**112.76**	**84.50**	**56.11**	**362.75**

15 Intangible assets

	Software
Deemed cost (Gross carrying amount)	
Balance at 1 April 2015	**35.94**
Additions	0.39
Disposals	-
Balance at 31 March 2016	**36.33**
Additions	16.87
Disposals	-
Balance at 31 March 2017	**53.20**
Accumulated amortisation	
Balance at 1 April 2015	-
Additions	16.49
Disposals	-
Balance at 31 March 2016	**16.49**
Additions	20.07
Disposals	-
Balance at 31 March 2017	**36.56**
Carrying amount (net)	
As at 1 April 2015	35.94
As at 31 March 2016	19.84
As at 31 March 2017	**16.64**

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Notes forming part of the financial statements for the year ended 31 March 2017

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

16 Investments

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
A. Non-current investments			
National savings certificate, unquoted at FVTPL			
National savings certificates	0.20	0.20	0.20
	0.20	**0.20**	**0.20**
Aggregate value of unquoted investments	0.20	0.20	0.20
B. Current investments			
Mutual funds, unquoted at FVTPL			
ICICI Prudential Money Market Fund - Direct Plan-Growth	222.80	-	-
HDFC Liquid Fund - Direct Plan - Growth	253.73	-	-
	476.53	**-**	**-**
Aggregate value of unquoted investments	476.53	-	-

Information about the Company's exposure to credit risks and market risks, and fair value measurement, is included in Note 31(c)

17 Trade receivables

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured, considered good	3,020.55	2,823.74	3,144.36
Doubtful	333.22	289.45	22.98
Less : Loss allowance	(333.22)	(289.45)	(22.98)
Net trade receivables	**3,020.55**	**2,823.74**	**3,144.36**
Current	3,020.55	2,823.74	3,144.36
Non - current	-	-	-
	3,020.55	**2,823.74**	**3,144.36**

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 31(c)

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

18 Inventories

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Stores and spares *	225.59	444.81	400.58
	225.59	**444.81**	**400.58**
*Net of stock provision	64.24	152.95	99.00

19 Cash and cash equivalents

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Cash in hand	2.10	8.31	6.83
Balance with banks:			
- On current accounts	458.23	282.49	181.03
- Deposits with original maturity of less than 3 months	-	1,200.00	4.91
Cash and cash equivalents in balance sheet	**460.33**	**1,490.80**	**192.77**
Bank overdrafts / cash credit used for cash management purposes	-	(355.62)	-
Cash and cash equivalents in the statements of cash flows	**460.33**	**1,135.18**	**192.77**

20 Other bank balances

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Other bank balances	15.82	8.83	58.80
	15.82	**8.83**	**58.80**

21 Deposits and other receivables (unsecured, considered good)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Security and other deposit	223.09	206.11	226.20
Bank deposits due to mature after 12 months	19.61	22.87	16.51
Others	1.28	7.40	6.97
	243.98	**236.38**	**249.68**
Current			
Unbilled revenue	703.97	1,182.16	1,106.05
Security and other deposit	172.49	132.42	47.38
Advances to employee	21.92	25.51	28.89
Others	1.27	5.89	159.04
	899.65	**1,345.98**	**1,341.36**

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Notes forming part of the financial statements for the year ended 31 March 2017

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

22 Other assets (unsecured, considered good)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Capital advances	0.66	0.19	29.51
Prepayments	32.29	22.46	31.76
	32.95	**22.65**	**61.27**
Current			
Balances with Statutory authorities	335.71	511.42	252.82
Prepayments	101.95	114.32	61.41
Others	43.29	11.62	15.76
	480.95	**637.36**	**329.99**

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Notes forming part of the financial statements for the year ended 31 March 2017

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

23A Share capital

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised			
4,500,000 (31 March 2016: 4,500,000, 1 April 2015: 2,050,000) equity shares of INR 10 each	450.00	450.00	205.00
Issued, Subscribed and Paid-up			
4,500,000 (31 March 2016: 4,500,000, 1 April 2015: 2,050,000) equity shares of INR 10 each	450.00	450.00	205.00

All issued shares are fully paid up

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31 March 2017		31 March 2016	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares				
At the commencement of the period	4,500,000	450	2,050,000	205.00
Share issued for cash	-	-	2,450,000	245.00
At the end of the period	**4,500,000**	**450.00**	**4,500,000**	**450.00**

Rights, preferences and restrictions 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 2017, the Company has not declared any dividend.

Shares held by holding / ultimate holding company and / or their subsidiaries / associates

	As at 31 March 2017		As at 31 March 2016	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of Rs. 10 each fully paid up held by Redington (India) Limited and its nominees	4,500,000	450.00	4,500,000	450.00

Particulars of shareholder holding more than 5% shares of a class of shares

	As at 31 March 2017		As at 31 March 2016	
	No. of Shares	% of total shares in class	No. of Shares	% of total shares in class
Equity shares of Rs. 10 each fully paid up held by Redington (India) Limited and its nominees	4,500,000	100%	4,500,000	100%
	4,500,000	**100%**	**4,500,000**	**100%**

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Notes forming part of the financial statements for the year ended 31 March 2017

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

23B Analysis of accumulated OCI, net of tax

A. Other items of OCI

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Remeasurements of defined benefit liability (asset)	(1.56)	(44.78)	-
	(1.56)	**(44.78)**	-

Remeasurements of defined benefit liability (asset)

	As at 31 March 2017	As at 31 March 2016
Opening balance	(44.78)	-
Recognized during the year	(1.56)	(44.78)
Closing balance	**(46.34)**	**(44.78)**

B. Disaggregation of changes in items of OCI

	Re-measurements of defined benefit liability/ (asset)	Total OCI
Year ended 31 March 2016		
Remeasurement of defined benefit liability (asset)	(44.78)	(44.78)
	(44.78)	**(44.78)**

	Re-measurements of defined benefit liability/ (asset)	Total OCI
Year ended 31 March 2017		
Remeasurement of defined benefit liability (asset)	(1.56)	(1.56)
	(1.56)	**(1.56)**

Remeasurements of defined benefit liability (asset)

Remeasurements of defined benefit liability (asset) comprises actuarial losses.

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

23C Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

24 Earnings per share

a. Basic and diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

i. Profit (loss) attributable to equity shareholders - for basic and diluted EPS

	Year ended 31 March 2017	Year ended 31 March 2016
Profit (loss) for the year, attributable to the equity holders	719.16	274.23

ii. Weighted average number of equity shares - for basic and diluted EPS

	Year ended 31 March 2017	Year ended 31 March 2016
Opening balance	4,500,000	2,050,000
Effect of fresh issue of shares	-	1,914,481
Weighted average number of equity shares for the year	**4,500,000**	**3,964,481**

25 Borrowings

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current borrowings			
Loans from banks			
Cash credit facilities	-	355.62	-
Work capital loan	-	500.00	-
Loans from related party (unsecured)	250.00	-	795.00
Total current borrowings	**250.00**	**855.62**	**795.00**

Information about the Group's exposure to interest rate, foreign currency and liquidity is provided in Note 31.

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ENSURE SUPPORT SERVICES (INDIA) LIMITED

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

25 Borrowings (contd.)

A. Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying amount at 31 March 2017	Carrying amount at 31 March 2016	Carrying amount at 1 April 2015
Cash credit	INR	9.45% - 10.25%	2016-17	-	355.62	-
Working capital loan	INR	9.35%	2016-17	-	500.00	-
Loan from related party	INR	6.6% - 10.25%	2017-18	250.00	-	795.00
				250.00	**855.62**	**795.00**

B. Secured bank loans

The cash credit facility and working capital demand loan is secured by hypothecation of inventories and book debts and letter of awareness issued by holding company. The loan from holding company is an unsecured working capital loan.

26 Deferred income

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred income	354.26	632.50	625.99
Customer advances	44.96	140.10	329.62
	399.22	**772.60**	**955.61**
Non-current	-	-	-
Current	399.22	772.60	955.61
	399.22	**772.60**	**955.61**

27 Trade payables

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade payables to related parties	56.74	169.81	1,100.50
Other trade payables	2,061.48	1,953.59	2,072.90
	2,118.22	**2,123.40**	**3,173.40**

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 31. (Also refer note 41.) All trade payables are 'current'.

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

28 Other financial liabilities

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Employee benefits payable	291.68	342.69	237.30
Insurance claim payable	858.55	1,824.11	1.06
Deposit from partners	233.66	168.00	109.25
Other payables	47.11	25.40	36.92
	1,431.00	**2,360.20**	**384.53**
Non current	-	-	-
Current	1,431.00	2,360.20	384.53
	1,431.00	**2,360.20**	**384.53**

The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in Note 31.

29 Other liabilities

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Statutory liabilities	107.26	86.02	85.39
	107.26	**86.02**	**85.39**
Current	107.26	86.02	85.39
Non - current	-	-	-
	107.26	**86.02**	**85.39**

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

30 Provisions

	Non current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefit						
Liability for gratuity	236.87	219.99	249.10	13.30	13.61	6.15
Liability for compensated absences	38.74	36.04	47.45	4.30	4.00	2.50
	275.61	**256.03**	**296.55**	**17.60**	**17.61**	**8.65**

For details about the related employee benefit expenses, see Note 9

The Company operates the following post-employment defined benefit plans:

The Company has a defined benefit gratuity plan in India (the Plan), governed by the Payment of Gratuity Act, 1972. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee at the time of retirement, death or termination of employment. Liabilities for the same are determined through an actuarial valuation as at the reporting dates using the "projected unit cost method".

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A. Funding

The gratuity plan of the Company is an unfunded plan.

B. Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components

Reconciliation of present value of defined benefit obligation

	As at 31 March 2017	As at 31 March 2016
Balance at the beginning of the year	233.60	255.24
Benefits paid	(11.90)	(7.32)
Current service cost	12.51	10.04
Interest cost	17.52	20.42
Past service gain	-	-
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	-	-
- experience adjustments	(1.56)	(44.78)
Balance at the end of the year	**250.17**	**233.60**

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Notes forming part of the financial statements for the year ended 31 March 2017

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30 Provisions (contd.)

C. Expense/ (income) recognised in the statement of profit or loss

	31 March 2017	31 March 2016
Current service cost	12.51	10.04
Interest cost	17.52	20.42
Past service gain	-	-
Interest income	-	-
	30.03	**30.46**

Remeasurements recognised in other comprehensive income

	31 March 2017	31 March 2016
Actuarial gain on defined benefit obligations	(1.56)	(44.78)
	(1.56)	**(44.78)**

D. Defined benefit obligation

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Discount rate	7.50%	8.00%	9.30%
Future salary growth	10%	10%	5%
Attrition rate	10%	10%	5%

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	As at 31 March 2017		As at 31 March 2016	
	Increase in %	Decrease in %	Increase in %	Decrease in %
Discount rate (1% movement)	(29.81)	35.73	(27.84)	33.45
Future salary growth (1% movement)	8.71	(10.79)	8.76	(11.43)
Attrition rate (1% movement)	(29.81)	35.73	(27.84)	33.45

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

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31 Financial instruments - Fair values and risk management

A. Accounting classification and fair values

		As at 31 March 2017			As at 31 March 2016			As at 1 April 2015		
	Note	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets measured at fair value										
Investments										
Mutual funds	16	476.53	-	-	-	-	-	-	-	-
Others	16	0.20	-	-	0.20			0.20		
Financial assets not measured at fair value										
Trade receivables (refer note below)	17	-	-	3,020.55	-	-	2,823.74	-	-	3,144.36
Cash and cash equivalents (refer note below)	19	-	-	460.33	-	-	1,490.80	-	-	192.77
Other bank balances	20	-	-	15.82	-	-	8.83	-	-	58.80
Deposits and other receivables	21	-	-	1,143.63	-	-	1,582.36	-	-	1,591.04
Total financial assets		**476.73**	**-**	**4,640.33**	**0.20**	**-**	**5,905.73**	**0.20**	**-**	**4,986.97**
Financial liabilities not measured at fair value										
Short term borrowings (refer note below)	25	-	-	250.00	-	-	855.62	-	-	795.00
Trade payables (refer note below)	27	-	-	2,118.22	-	-	2,123.40	-	-	3,173.40
Employee benefits payable (refer note below)	28	-	-	291.68	-	-	342.69	-	-	237.30
Insurance claim payable (refer note below)	28	-	-	858.55	-	-	1,824.11	-	-	1.06
Others (refer note below)	28	-	-	280.77	-	-	193.40	-	-	146.17
Total financial liabilities		**-**	**-**	**3,799.22**	**-**	**-**	**5,339.22**	**-**	**-**	**4,352.93**

Note: The Company has not disclosed fair values of financial instruments such as trade receivables, unbilled revenue, cash and bank balances, advances to employees, short term borrowings, trade and insurance claim payables and employee benefit payables and other payables, because their carrying amounts are reasonable approximations of their fair values.

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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31 Financial instruments - Fair values and risk management (contd.)

(a) Financial assets and liabilities valued at fair value

	As at 31 March 2017			As at 31 March 2016			As at 1 April 2015		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Assets									
Investment in equity instruments	476.53	-	-	-	-	-	-	-	-
	476.53	-	-	-	-	-	-	-	-

(b) Financial assets and liabilities measured at amortise cost

The financial instruments that have been measured at amortised costs are fair valued using Level 2 hierarchy. The Company has not disclosed the fair values for certain financial instruments measured at amortised costs as such as trade receivables and payables and other items (refer note 31A), because their carrying amounts are a reasonable approximation of fair value.

	As at 31 March 2017			As at 31 March 2016			As at 1 April 2015		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets not measured at fair value									
Security deposits	-	1,143.63	-	-	1,582.36	-	-	1,591.04	-
	-	**1,143.63**	-	-	**1,582.36**	-	-	**1,591.04**	-

B. Measurement of fair values

There were no level 3 or unobservable inputs that were used in the valuation of financial assets or liabilities noted above.

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

31 Financial instruments - Fair values and risk management (contd.)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. 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 the Company's receivables from customers; loans and investments in debt securities.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets.

The maximum exposure to credit risk for trade and other receivables are as follows:

	Carrying amount as at		
	31 March 2017	**31 March 2016**	**1 April 2015**
Trade receivables	3,020.55	2,823.74	3,144.36
Unbilled revenue	703.97	1,182.16	1,106.05
Total trade and other receivables	**3,724.52**	**4,005.90**	**4,250.41**
Cash and bank balances	460.33	1,490.80	192.77
Deposits and other receivables (excluding unbilled revenue)	439.66	400.20	484.99
Investments	476.73	0.20	0.20
Total	**5,101.24**	**5,897.10**	**4,928.37**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full except to the extent already provided, based on historical payment behavior and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Notes forming part of the financial statements for the year ended 31 March 2017

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

31 Financial instruments - Fair values and risk management (contd.)

C. Financial risk management (contd.)

ii. Credit risk (contd.)

The Company determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available press information about customers. In order to calculate the loss allowance, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency through write-off. Roll rates are calculated separately for exposures in different stages of delinquency primarily determined based on the time period for which they are past due. The Company assumes a 100% loss rate in case of trade receivables that are more than 270 days past due as it believes that the probability of collection in such cases is remote.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables

31 March 2017

Age	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit - impaired
Not due	2,188.60	1.86%	40.610	No
0- 90 days	605.43	2.20%	13.330	No
91 - 180 days	249.66	7.40%	18.480	No
181 - 270 days	59.44	17.08%	10.150	No
271 - 360 days	49.60	100.00%	49.600	No
> 360 days	201.04	100.00%	201.050	No
	3,353.77		**333.220**	

31 March 2016

Age	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit - impaired
Not due	1,426.79	1.74%	24.80	No
0- 90 days	1,106.50	1.40%	15.49	No
91 - 180 days	291.42	4.34%	12.65	No
181 - 270 days	122.28	57.50%	70.31	No
271 - 360 days	77.35	100.00%	77.35	No
> 360 days	88.85	100.00%	88.85	No
	3,113.19		**289.45**	

1 April 2015

Age	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit - impaired
Not due	1,595.68	0.00%	-	No
0- 90 days	1,085.55	0.00%	-	No
91 - 180 days	335.24	0.00%	-	No
181 - 270 days	131.46	2.72%	3.57	No
271 - 360 days	19.41	100.00%	19.41	No
> 360 days	-	100.00%	-	No
	3,167.34		**22.98**	

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★

31 Financial instruments - Fair values and risk management (contd.)

C. Financial risk management (contd.)

ii. Credit risk (contd.)

Movements in the allowance for impairment in respect of trade receivables and loans

The movement in the allowance for impairment in respect of trade receivables and loans is as follows:

	As at 31 March 2017	As at 31 March 2016
Balances at 1 April	289.45	22.98
Provision for the year	43.77	266.47
Balance at 31 March	**333.22**	**289.45**

Cash and bank balances (includes amounts classified under other bank balances and deposits and other receivables

The Company holds cash and bank balances of INR 495.76 lakhs at 31 March 2017 (31 March 2016: INR 1,166.88 lakhs; 1 April 2015: 268.08 lakhs). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

Security deposits

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Company for carrying out its operations. The Company does not expect any losses from non-performance by these counter-parties.

Other financial assets including investments

The Company holds investments in mutual funds. The credit worthiness of such mutual fund institutions are evaluated by the management on an ongoing basis and is considered to be good.

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Notes forming part of the financial statements for the year ended 31 March 2017

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

31 Financial instruments - Fair values and risk management (contd.)

C. Financial risk management (contd.)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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 they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

		Contractual cash flows					
	Carrying amount	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
As at 31 March 2017							
Non derivative financial liabilities							
Unsecured loans from related parties	250.00	250.00	250.00	-	-	-	-
Trade payables	2,118.22	2,118.22	2,118.22	-	-	-	-
Other financial liabilities	1,431.00	1,431.00	338.79	1,092.21	-	-	-
	3,799.22	**3,799.22**	**2,707.01**	**1,092.21**	**-**	**-**	**-**

		Contractual cash flows					
	Carrying amount	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
As at 31 March 2016							
Non derivative financial liabilities							
Secured loans:							
- Cash credit facilities	355.62	355.62	355.62	-	-	-	-
- Working capital demand loan	500.00	500.00	500.00	-	-	-	-
Unsecured loans from related parties	-	-	-	-	-	-	-
Trade payables	2,123.40	2,123.40	2,123.40	-	-	-	-
Other financial liabilities	2,360.20	2,360.20	368.09	1,992.11	-	-	-
	5,339.22	**5,339.22**	**3,347.11**	**1,992.11**	**-**	**-**	**-**

		Contractual cash flows					
	Carrying amount	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
As at 1 April 2015							
Non derivative financial liabilities							
Secured loans:							
Unsecured loans from related parties	795.00	795.00	795.00	-	-	-	-
Trade payables	3,173.40	3,173.40	3,173.40	-	-	-	-
Other financial liabilities	384.53	384.53	274.22	110.31	-	-	-
	4,352.93	**4,352.93**	**4,242.62**	**110.31**	**-**	**-**	**-**

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ENSURE SUPPORT SERVICES (INDIA) LIMITED

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

31 Financial instruments - Fair values and risk management (contd.)

C. Financial risk management (contd.)

iv. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the Companies income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and optimising the return.

The following table analyzes foreign currency risk from financial instruments:

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	INR	**USD**	**INR**	**USD**	**INR**	**USD**
Financial assets:						
Trade receivables	2,457.60	562.95	2,177.44	646.30	2,568.63	575.73
Unbilled receivables	703.97	-	1,182.16	-	1,106.05	-
Cash and cash equivalents	460.33	-	1,490.80	-	192.77	-
Other bank balances	15.82	-	8.83	-	58.80	-
Other financial assets						
- Security deposits	395.58	-	338.53	-	273.58	-
- Employee advances	21.92	-	25.51	-	28.89	-
- Others	22.16	-	36.16	-	182.52	-
Financial liabilities:						
Short term borrowings	(250.00)	-	(855.62)	-	(795.00)	-
Trade payables	(2,118.22)	-	(2,123.40)	-	(3,173.40)	-
Employee benefits payable	(291.68)	-	(342.69)	-	(237.30)	-
Insurance claim payable	(858.55)	-	(1,824.11)	-	(1.06)	-
Others	(280.77)	-	(193.40)	-	(146.17)	-
Net assets / (liabilities)	**278.16**	**562.95**	**(79.79)**	**646.30**	**58.31**	**575.73**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar against INR at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit / (loss)		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2017				
USD (1% movement)	(5.63)	5.63	-	-
31 March 2016				
USD (1% movement)	(6.46)	6.46	-	-

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fixed rate instruments			
Financial assets - Bank deposits	35.43	1,231.70	80.22
Financial liabilities - Borrowings	250.00	855.62	795.00

Fair value sensitivity analysis for fixed rate instruments

In respect of the fixed rate borrowings and bank deposits the Company is not exposed to any fair value risk and as such any changes in the interest rates does not have any impact on equity or profit and loss.

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★

32 Operating leases

A. Leases as lessee

The Group has taken on lease a number of offices and warehouse facilities under operating leases. The leases typically run for a period of 1 year to 9 years, with an option to renew the lease after that period. Lease payments are renegotiated every year to reflect market rentals.

Future minimum lease payments

The future minimum lease payments under non cancellable operating leases are as follows:

	31 March 2017	31 March 2016	1 April 2015
Payable in less than one year	99.16	134.23	50.64
Payable between one and five years	61.20	136.40	56.80
	160.36	**270.63**	**107.44**

Amounts recognised under non-cancellable operating leases in the statement of profit and loss was INR. 20.55 lakhs (previous year: INR. 16.03 lakhs)

33 Contingent liabilities and commitments

	31 March 2017	31 March 2016
Contingent liabilities		
Claims against the Company not acknowledged as debts		
Sales tax related matters	1.76	7.78
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.37	-

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

34 Related parties

A. Parent and ultimate controlling party

Related parties with whom transactions have taken place during the year:

Nature of relationship	Name of the entity
Holding Company	Redington (India) Limited (RIL)
Key Management Personnel ('KMP')	Mr. Stephen Aranha, Director Mr. S V Rao, Whole time Director
Fellow subsidiaries	Cadensworth India Limited (CIL) ProConnect Supply Chain Solutions Limited (PSCSL) Nook Micro Distribution Limited (Merged with Redington (India) Limited w.e.f 1 April 2015. (Nook)
Holding Company's Subsidiary of Associate	Currents Technology Retail (India) Limited (CTRL)

B. Transaction with key managerial personnel

Key management personnel of the Company comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation during the year are as follows:

	For the year ended 31 March 2017	For the year ended 31 March 2016
Short term employee benefits	39.05	39.05
Post-employment defined benefits	*	*
Compensated absences	*	*
Total	**39.05**	**39.05**

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (see Note 9).

* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

C. Related party transactions other than those with key managerial personnel

	Transaction value		Balance outstanding - Payable / (Receivable)		
	For the year ended 31 March 2017	For the year ended 31 March 2016	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Sale of goods and services					
RIL	278.49	628.02	125.40	670.63	-
CIL	12.34	24.50	-	0.07	-
PSCSL	7.54	0.39	0.50	-	0.01
CTRL	-	-	-	-	0.90
Purchase of goods and services					
RIL	28.56	53.91	1.27	33.28	811.49
CIL	-	0.15	-	-	-
PSCSL	-	1.42	-	-	-

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Notes forming part of the financial statements for the year ended 31 March 2017

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

34 Related parties

C. Related party transactions other than those with key managerial personnel (contd.)

	Transaction value		Balance outstanding - Payable / (Receivable)		
	For the year ended 31 March 2017	**For the year ended 31 March 2016**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 1 April 2015**
Rental Income					
CIL	-	9.93	-	1.73	-
PSCSL	23.44	-	-	-	-
Interest Expenses					
RIL	4.11	37.06	3.70	33.35	-
Rental Expenses					
RIL	42.30	49.87	11.10	51.50	-
CIL	-	1.08	-	-	-
PSCSL	-	2.35	-	-	-
Loans taken					
RIL	250.00	4,465.00	250.00	-	795.00
Loans repaid					
RIL	-	5,260.00	-	-	-
Issue of equity shares					
RIL	-	245.00	-	-	-
Insurance loss repaid					
RIL	150.11	673.20	-	-	-
Any other expenses incurred on their behalf					
RIL	1.09	10.56	26.83	75.33	-
CIL	0.06	12.18	-	-	-
PSCSL	8.90	-	-	-	-
Any other expenses incurred on our behalf					
RIL	859.13	860.22	192.90	797.64	289.01
CIL	-	0.89	-	2.58	-
PSCSL	-	-	0.04	-	-

All transactions with these related parties are priced on an arm's length basis. None of the balances is secured.

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ENSURE SUPPORT SERVICES (INDIA) LIMITED ★

35 Disclosure of specified bank notes

During the year, the Company had specified bank notes (SBN) and other denomination notes as defined in the MCA Notification G.S.R 308(E) dated 30 March 2017 on the details of specified bank notes held and transacted during the period from 8 November 2016 to 30 December 2016. The denomination wise SBN and other notes as per the notification are given below:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 8 November 2016	2.23	4.50	6.73
Add: Permitted receipts	-	35.02	35.02
Less: Permitted payments	-	13.70	13.70
Less: Amount deposited in banks	2.23	21.83	24.06
Closing cash in hand as on 30 December 2016	**-**	**3.99**	**3.99**

For the purpose of this clause, the term specified bank note shall have the same meaning provided in the notification of the Government of India, the Ministry of Finance - Department of Economic Affairs No. S.O.3407 (E), dated November 8, 2016.

36 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. 94.57 lakhs (31 March 2016: Rs. 277.46 lakhs) 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 7. The amount received in respect of inventory held on behalf of the vendors (net of payments / adjustments made upto the balance sheet date as at 31 March 2016 and 2017) has been disclosed under "Other financial liabilities – Insurance claim payable" in note 28.

37 Consumption of stores and spares

	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Amount	**Percentage**	**Amount**	**Percentage**
Imported	1,523.48	48%	2,080.01	59%
Indigenous	1,682.14	52%	1,468.34	41%
	3,205.62	**100%**	**3,548.35**	100%

38 CIF value of imports

	For the year ended 31 March 2017	For the year ended 31 March 2016
Stores and spares	1,182.22	1,061.87

39 Expenditure incurred in foreign currency (on accrual basis)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Software services	15.98	5.23

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

40 Earnings in foreign currency (on accrual basis)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of services - warranty services	2,193.30	3,257.99

41 Micro, Small and Medium Enterprises Development Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2017 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

42 Transfer pricing

The Company has transactions with related parties. For the financial year 2016-17, 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.

B S R & Co. LLP Chartered Accountants

Ensure Support Services (India) Limited

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

43 Subsequent events

There are no significant subsequent events that have occurred after the reporting period till the date of this financial statements.

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

Sethuraman

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date: 19 May 2017

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

S.V.R

S V Rao	**S V Krishnan**
Director	Director
DIN 06600739	DIN 07518349

Place: Chennai
Date: 19 May 2017

ENSURE SUPPORT SERVICES (INDIA) LIMITED

Redington International Mauritius Limited

Reports and separate financial statements for the year ended 31 March 2017

Redington International Mauritius Limited

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Company information

		Date of appointment
Directors:	Raj Shankar	24 September 2008
	Srinivasan Ramanathan	24 September 2008
	Divya Basanta Lala	20 March 2014
	Mehjabeen Throrabally	14 February 2015

Administrator and Secretary:

International Financial Services Limited
IFS Court
Bank Street
TwentyEight
Cybercity
Ebène
Mauritius

Registered Office:

IFS Court
TwentyEight
Cybercity
Ebène
Mauritius

Auditor:

Deloitte
7th Floor, Standard Chartered Tower
19-21, Bank Street, Cybercity
Ebène, 79201
Mauritius

Banker:

HSBC Bank (Mauritius) Ltd
6th Floor, HSBC Centre
18, Bank Street, Cybercity
Ebène, 79201
Mauritius

Commentary of the directors
for the year ended 31 March 2017

The directors present the audited separate financial statements of Redington International Mauritius Limited (the "Company") for the year ended 31 March 2017.

Principal activity

The principal activity of the Company is investment holding.

Results

The results for the year are shown in the statement of profit or loss and other comprehensive income.

Directors

The present membership of the Board is set out on page 1 to the separate financial statements.

Statement of Directors' responsibilities in respect of the separate financial statements

The Directors to prepare separate financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those separate financial statements, the directors:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and
- prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the separate financial statements.

The directors are responsible for keeping 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 and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Deloitte, have indicated its willingness to continue in office until the next Annual Meeting.

Certificate from the Secretary under Section 166(d) of the Companies Act 2001

We certify to the best of our knowledge and belief that we have filed with the Registrar all such returns as are required of Redington International Mauritius Limited under the Companies Act 2001 during the financial year ended 31 March 2017.

Independent auditor's report to the Shareholder of Redington International Mauritius Limited

Report on audit of the financial statements

Opinion

We have audited the financial statements of **Redington International Mauritius Limited** (the "Company") set out on pages 6 to 27, which comprise the statement of financial position as at 31 March 2017, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IND ASs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Company information, Commentary of directors and the Certificate from Secretary, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Independent auditor's report to the Shareholder of Redington International Mauritius Limited (cont'd)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report is made solely to the Company's shareholder, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, 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 have formed.

Deloitte
Chartered Accountants

19 May 2017

Twaleb Butonkee, FCA
Licensed by FRC

Statement of financial position
as at 31 March 2017

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Non-Current Financial Assets	6	105693,19,666	107983,08,010
Total Non Current Assets		**105693,19,666**	**107983,08,010**
Current Assets			
Financial assets			
Trade receivables	9	505,86,178	516,82,146
Cash and bank balances	7	1460,32,797	277,36,596
Other Current Assets	8	-	8,86,492
Total Current assets		**1966,18,974**	**803,05,234**
Total Assets		**107659,38,640**	**108786,13,244**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		17942,71,421	18331,44,996
Other Equity			
Other reserves		73256,60,585	53874,10,598
Retained earnings		16460,06,634	26996,80,533
Equity attributable to the owners of the Company		**107659,38,640**	**99202,36,127**
Non-Controlling interests		-	-
Total Equity		**107659,38,640**	**99202,36,127**
Current Liabilities			
Financial Liabilities			
Trade and other payables		-	26,63,849
Borrowings	10		9557,13,269
Total Current Liabilities		**-**	**9583,77,117**
Total Equity and Liabilities		**107659,38,640**	**108786,13,244**

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Director Director

The accompanying notes form an integral part of these separate financial statements.

Statement of profit or loss and other comprehensive income for the year ended 31 March 2017

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(b)Dividend income	9	11124,93,002	6416,03,961
(c).Total Revenue(a+b)		**11124,93,002**	**6416,03,961**
d.Expenses			
Finance Costs	11	163,66,839	708,68,708
Other Expenses	11a	56,85,288	151,69,494
Total Expenses(d)		**220,52,127**	**860,38,202**
Profit before Corporate social responsibility expenditure and Tax		**10904,40,875**	**5555,65,759**
Profit before exceptional items and tax		**10904,40,875**	**5555,65,759**
e.Profit before tax (c-d)		**10904,40,875**	**5555,65,759**
h.Profit for the Year (e-f-g)		**10904,40,875**	**5555,65,759**
Total Comprehensive Income for the Year attributable to (h+k)		10904,40,875	5555,65,759
Profit for the year attributable to the :-			
Shareholders of the Company		10904,40,875	5555,65,759
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		10904,40,875	5555,65,759

The accompanying notes form an integral part of these separate financial statements.

Statement of changes in equity
for the year ended 31 March 2017

Particulars	Share capital	Share premium	Capital Reserve	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	18331,44,996	22349,07,233	25969,37,606	5555,65,759	26996,80,533	99202,36,127
Profit for the year				10904,40,875		10904,40,875
Dividend paid				-		-
Other comprehensive income						-
Foreign currency adustment						-
Additions during the year				-	(2447,38,362)	(2447,38,362)
Deduction						-
Balance as at March 31, 2017	17942,71,421	21875,13,910	25418,67,085.00	16460,06,634	24549,42,171	107659,38,640

The accompanying notes form an integral part of these separate financial statements.

Statement of cash flows
for the year ended 31 March 2017

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	10904,40,875	5555,65,759
Adjustments for		
Dividend Income	(11124,93,002)	(6416,03,961)
Interest Expenses	163,66,839	708,68,708
Change in Working capital		
Decrease in prepayments	8,95,933	11,74,143
Decrease in accruals	-	(325,57,069)
Cash flow from operating activity	**(47,89,355)**	**(465,52,420)**
Net Cash flow from operating activity	(47,89,355)	(465,52,420)
Cash flow from investing activity		
Proceeds from disposal of property and equipment	11124,93,002	6416,03,961
Net cash in investing activity	11124,93,002	6416,03,961
Cash flow from financing activity		
Proceeds from issuance of share capital	-	6539,70,788
Interest paid	(190,59,056)	(741,36,612)
Repayment of bank borrowings	(9658,91,055)	(12093,72,073)
Net cashflow from financing activity	**(190,59,056)**	**5798,34,177**
Net increase in cash and cash equivalents	10886,44,591	11748,85,718
Cash and Cash equivalents at the beginning of the year	277,36,596	602,06,261
Currency transalation asjustment	(9703,48,390)	(12073,55,383)
Cash and Cash equivalents at the end of the year	**1460,32,797**	**277,36,596**

The accompanying notes form an integral part of these separate financial statements.

Notes to the separate financial statements for the year ended 31 March 2017

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 the distribution of information technology products 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 2017 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	49	Dubai, U.A.E.	Distribution of information technology products, providing hardware support and maintenance services.
Cadensworth UAE LLC	49	49	Dubai, U.A.E.	Distribution of information technology products, providing hardware support and maintenance services.
Redington Gulf & Co. LLC	70	70	Ruwi, Oman	Distribution of information 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	65	Tripoli, Libya	Providing hardware support and maintenance services.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

1. Status and operations (continued)

Name of subsidiary	*Ownership interest*	*Beneficial interest*	*Place of registration and operation*	*Principal activities*
	%	%		
Linkplus Bilgisayar Sistemleri Sanayi ve Ticaret A.S.	80	80	Istanbul, Turkey	Distribution of information technology products
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, Ghana	Distribution of information 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 S.A.R.L.	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.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

1. Status and operations (continued)

Name of subsidiary	*Ownership interest*	*Beneficial interest*	*Place of registration and operation*	*Principal activities*
	%	%		
Ensure Services Bahrain S.P.C. (formerly Redington Bahrain S.P.C.)	100	100	Manama, Kingdom of Bahrain	Providing hardware support and maintenance services.
Proconnect Supply Chain Logistics LLC	49	49	Dubai, U.A.E.	Providing logistic services.
Redington Saudi Arabia Distribution Company	75	75	Riyadh, Saudi Arabia	Distribution of information technology and telecommunication products.
Redserv Business Solutions Private Limited	100	100	Chennai, India	Business process consulting and outsourcing.
RNDC Alliance West Africa Limited	100	100	Lagos, Nigeria	Distribution of information technology and telecommunication products.
CDW International Trading FZE	100	100	Dubai, UAE	Trading of information technology and telecommunication products.
Ensure Services Arabia LLC	100	100	Riyadh, Saudi Arabia	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	49	Doha, Qatar	Providing hardware support and maintenance services.
Redington Qatar W.L.L.	49	49	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	49	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.
Ensure Services Uganda Limited	100	100	Kampala, Uganda	Providing hardware support and maintenance services.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

1. Status and operations (continued)

Ensure Gulf FZE has the following subsidiaries (continued):

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Ensure Solutions Nigeria Limited	99.9	99.9	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.
Ensure Middle East Technology Solutions LLC	49	100	Accra, Ghana	Providing hardware support and maintenance services.

Proconnect Supply Chain Logistics LLC has the following subsidiary:

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Proconnect Saudi LLC	100	100	Riyadh, Saudi Arabia	Providing logistics services.

Redington Egypt Ltd. has the following subsidiary:

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Redington Distribution Company LLC	99	100	Cairo, Egypt	Distribution of information technology and telecommunication products.

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.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

1. Status and operations (continued)

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 telecommunication equipment trading, computer and data processing requisites trading.
Sensonet Teknoloji Elektronik Ve Bilisim Hizmetleri Sanayi Ve Ticaret Limited Sirketi [Note 1(h)]	99.78	99.78	Istanbul, Turkey	Distribution of information technology and telecommunication products including surveillance equipment.
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 (IND AS)

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

The following new and revised IND AS, which became effective for annual periods beginning on or after 1 April 2016, have been adopted in these separate financial statements. The application of these new and revised IND AS 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.

- IND AS 1 14 *Regulatory Deferral Accounts*
- Amendments to IND AS 1 *Presentation of Financial Statements* relating to Disclosure initiative
- Amendments to IND AS 1 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 41 *Agriculture*: Bearer Plants
- Amendments to IND AS 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

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.1 New and revised IND AS applied with no material effect on the separate financial statements (continued)

- Amendments to IND AS 1 10 *Consolidated Financial Statements*, IND AS 1 12 *Disclosure of Interests in Other Entities* and IND AS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities
- Annual Improvements to IND ASs 2012 - 2014 Cycle covering amendments to IND AS 10 5, IND AS 10 7, IND AS 19 and IND AS 34

2.2 New and revised IND AS in issue but not yet effective

The Company has not yet applied the following new and revised IND AS that have been issued but are not yet effective:

New and revised IND AS	***Effective for annual periods beginning on or after***
Annual Improvements to IND AS Standards 2014 - 2016 Cycle amending IND AS 10 1, IND AS 1 12 and IND AS 28	The amendments to IND AS 10 1 and IND AS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IND AS 1 12 for annual periods beginning on or after 1 January 2017
Amendments to IND AS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses	1 January 2017
Amendments to IND AS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	1 January 2017
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: ▪ there is consideration that is denominated or priced in a foreign curreny; ▪ the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and ▪ the prepayment asset or deferred income liability is non-monetary.	1 January 2018
Amendments to IND AS 10 2 *Share Based Payment* regarding classification and measurement of share based payment transactions	1 January 2018
Amendments to IND AS 10 4 *Insurance Contracts*: Relating to the different effective dates of IND AS 10 9 and the forthcoming new insurance contracts standard.	1 January 2018

**Notes to the separate financial statements
for the year ended 31 March 2017 (continued)**

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
Amendments to IND AS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	1 January 2018
Amendments to IND AS 10 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IND AS 10 9	When IND AS 10 9 is first applied
IND AS 10 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IND AS 10 9	When IND AS 10 9 is first applied
IND AS 10 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014)	1 January 2018

IND AS 10 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IND AS 10 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 IND AS 10 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.

A finalised version of IND AS 10 9 which contains accounting requirements for financial instruments, replacing IND AS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- ***Classification and measurement:*** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IND AS 10 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IND AS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- ***Impairment:*** The 2014 version of IND AS 10 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
IND AS 10 9 *Financial Instruments* [revised versions in 2009, 2010, 2013 and 2014] (continued)	

- ***Hedge accounting:*** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- ***Derecognition:*** The requirements for the derecognition of financial assets and liabilities are carried forward from IND AS 39.

IND AS 1 15 *Revenue from Contracts with Customers*	1 January 2018

In May 2014, IND AS 1 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 1 15 will supersede the current revenue recognition guidance including IND AS 18 *Revenue*, IND AS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IND AS 1 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 IND AS 1 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 IND AS 1 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 1 15.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
Amendments to IND AS 1 15 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018
IND AS 1 16 *Leases*	1 January 2019
IND AS 1 16 specifies how an IND AS 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 IND AS 1 16's approach to lessor accounting substantially unchanged from its predecessor, IND AS 17.	
Amendments to IND AS 1 10 *Consolidated Financial Statements* and IND AS 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 separate financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the separate financial statements of the Company in the year of initial application.

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 (IND AS) 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 prepared.

4. Significant accounting policies

Statement of compliance

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

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 (IND AS) 27 *Separate Financial Statements*.

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.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

4. Significant accounting policies (continued)

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.

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.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

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.

4. Significant accounting policies (continued)

Financial instruments (continued)

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 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.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

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. Non-Current Financial Assets

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-17	31-Mar-16
Investment in Subsidiary	105693,19,666	107983,08,010
Total	**105693,19,666**	**107983,08,010**

7. Cash in bank

Particulars	31-Mar-17	31-Mar-16
(a) Balances with banks	-	-
(i) In current accounts	1460,32,796.75	277,36,595.67
Total	**1460,32,796.75**	**277,36,595.67**

8. Other Current Assets

Particulars	31-Mar-17	31-Mar-16
Prepayments	-	8,86,492
Total	**-**	**8,86,492**

9. Trade Receivables (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:

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

Particulars	31-Mar-17	31-Mar-16
(c) Receivables from releted parties		
Redington Gulf FZE U.A.E	505,86,178	516,82,146
Total Trade and other receivable	**505,86,178**	**516,82,146**

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

The nature of significant related party transactions and the amounts involved during the year were as follows:

	2017	2016
Subsidiary		
Dividend income	**11124,93,002**	6416,03,961
Management services company		
Service fee paid	**7,27,594**	4,83,025

Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	2017	2016
Management services company fee	**167401**	163493
	2,500	2,500

10. Borrowings

	2017	2016
Loan from a bank	**-**	9557,13,269

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 2017, the Company incurred an interest expense on long term loans amounting to INR 1,58,50,961 (2016: INR 7,17,98,158).

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

11. Finance Cost

Particulars	31-Mar-17	31-Mar-16
Interest Expenses	163,66,839	708,68,708
Total	**163,66,839**	**708,68,708**

11a. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Professional Charges	15,76,118	15,79,934
Bank Charges	41,09,170	133,67,667
Miscellaneous Expenses	-	2,21,893
Total	**56,85,288**	**151,69,494**

12. Taxation

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

13. 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.

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 4 to the separate financial statements.

(b) Categories of financial instruments

Particulars	31-Mar-17	31-Mar-16
Financial assets		
Loans and receivables (including cash and cash equivalents)	196618974	79418742
Financial liabilities		
At amortised cost	0	958377117

(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.

14. 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.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

14. Financial risk management (continued)

(a) Foreign currency risk management

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in INR

(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.

(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 tables have 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. This is principal cash flows only.

Particular	**Average interest rate**	**Less than 1 year**	**Between 02-05 Years**	**Total**
	%	INR	INR	INR
2017				
Fixed interest rate instruments	-	-	-	
Non-interest bearing instruments		-	-	
Total		-	-	-
2016				
Fixed interest rate instruments	2.17	9557,13,269		9557,13,269
Non-interest bearing instruments		26,63,849		26,63,849
Total		**9583,77,117**	-	**9583,77,117**

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

15. Financial risk management (continued)

(c) Liquidity risk management (continued)

The following table details 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.

Particular	Less than 1 Year	Total
2017		
Non-interest bearing instruments	203018041	203018041
2016		
Non-interest bearing instruments	79418742.17	79418742

16. 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 2016.

The Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. Equity is calculated as 'equity' as shown in the statement of changes in equity.

Gearing ratio

The gearing ratio at year-end was as follows:

Particular	2017	2016
	INR	INR
Debt (i)	-	9557,13,269
Cash and cash equivalents	(1460,32,797)	(277,36,596)
Net (cash)/debt	**(1460,32,797)**	**9279,76,673**
Equity	107659,38,640	99202,36,127
Net debt to equity ratio	**N/A**	0.09:1

(i) Debt is defined as long-term and short-term bank borrowings, as detailed in Note 10 to the separate financial statements.

17. Approval of the separate financial statement

The separate financial statements for the year ended 31 March 2017 were approved and signed by the Director

Company Registration No. 200503995E

Redington Distribution Pte Ltd
and its subsidiaries

Annual Financial Statements
31 March 2017

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File: typist	**Ng Poh Chin**
Date edited	**9 September 2016 (rollforward)**
Partner:	
Mgr:	
Staff & Ext.:	

Redington Distribution Pte Ltd and its Subsidiaries

General Information

Directors

Raj Shankar	
Rangareddy Jayachandran	(Resigned on 30 September 2016)
Ramanathan Srinivasan	(Resigned on 15 February 2017)

Company secretary

Ngiam May Ling

Registered office

60 Robinson Road
#12-02 BEA Building
Singapore 068892

Bankers

BNP Paribas
ICICI Bank Limited
Malayan Banking Berhad
Overseas-Chinese Banking Corporation Limited
Standard Chartered Bank
The Hong Kong and Shanghai Banking Corporation Limited
United Commercial Bank

Auditor

Ernst & Young LLP

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Director's Statement

The director is pleased to present the statement to the member together with the audited consolidated financial statements of Redington Distribution Pte Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the statement of comprehensive income, balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2017.

Opinion of the director

In the opinion of the director,

(i) the accompanying consolidated financial statements of the Group and the statement of comprehensive income, balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Group and 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.

Director

The director of the Company in office at the date of this statement is:

Raj Shankar

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 objects are, or one of whose objects is 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.

Directors' interests in shares and debentures

The following director, 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, Chapter 50, an interest in shares and share options of the Company and related corporations as stated below:

	Held in the name of directors	
	At the beginning of financial year	At the end of financial year
	Ordinary shares	
Holding company - Redington India Limited		
Raj Shankar	594,946	594,946

Director's interests in shares and debentures (continued)

	Held in the name of directors	
	At the beginning of financial year	At the end of financial year
	Ordinary shares	
Redington Nigeria Ltd		
Raj Shankar	1	1

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Auditor

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

Raj Shankar
Director

Singapore

Independent Auditor's Report to the Member of Redington Distribution Pte Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Redington Distribution Pte Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2017, the statements of changes in equity and statements of comprehensive income of the Group and the Company and consolidated cash flow statement of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of comprehensive income, balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for other information. The other information comprises General information and director's statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, 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
Chartered Accountants
Singapore

Redington Distribution Pte Ltd and its Subsidiaries

Balance Sheets
As at 31 March 2017(In Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	7	18,14,947	6,34,127
Non-Current Financial Assets	8	195,37,409	199,62,234
Total Non Current Assets		**213,52,356**	**205,96,361**
Current Assets			
Inventories	9	10092,08,284	14618,29,980
Financial assets			
Trade receivables	10	54883,09,155	60484,20,010
Cash and bank balances	11	9178,56,593	8487,68,357
Other Current Assets	12	5,47,292	-
Total Current assets		**74159,21,324**	**83590,18,347**
Total Assets		**74372,73,680**	**83796,14,707**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital	**SOCE**	2593,80,000	2650,20,000
Other Equity			
Share premium			
Other reserves		11635,00,302	5396,58,034
Retained earnings		9235,19,747	11813,33,215
Equity attributable to the owners of the Company		**23464,00,049**	**19860,11,249**
Non-Controlling interests		-	-
Total Equity		**23464,00,049**	**19860,11,249**
Current Liabilities			
Financial Liabilities			
Trade and other payables	13	45306,68,663	40242,22,228
Borrowings	17		15527,10,373
Current tax liabilities (net payables)		1216,42,541	1123,26,607
Other Current Liablities	18	4385,62,427	7043,44,250
Total Current Liabilities		**50908,73,632**	**63936,03,458**
Total Equity and Liabilities		**74372,73,680**	**83796,14,707**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Redington Distribution Pte Ltd and its Subsidiaries

Statements of Comprehensive Income
For the financial year ended 31 March 2017(In Indian Rupees)

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations	4	298246,26,216	328502,15,311
(b)Other gain / (losses)	4a	113,57,338	34,57,556
(c).Total Revenue(a+b)		**298359,83,554**	**328536,72,867**
d.Expenses			
Purchase of traded goods		278536,48,934	316781,62,117
Changes in inventories		4526,21,696	(2554,02,027)
Employee Benefits	19	1016,13,706	928,20,099
Finance Costs	19a	288,37,598	326,21,158
Depreciation & Amortisation		2,30,462	1,45,182
Other Expenses	20	6529,67,058	6746,79,107
Total Expenses(d)		**290899,19,454**	**322230,25,636**
Profit before Corporate social responsibility expenditure and Tax		**7460,64,100**	**6306,47,231**
Profit before exceptional items and tax		**7460,64,100**	**6306,47,231**
e.Profit before tax (c-d)		**7460,64,100**	**6306,47,231**
Income Tax expense:			
Current tax		(1742,94,804)	(1228,89,389)
h.Profit for the Year (e-f-g)		**5717,69,295**	**5077,57,842**
Total Comprehensive Income for the Year attributable to (h+k)		5717,69,295	5077,57,842
Profit for the year attributable to the :-			
Shareholders of the Company		5717,69,295	5077,57,842
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		5717,69,295	5077,57,842

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Redington Distribution Pte Ltd and its Subsidiaries

Statements of Changes in Equity
For the financial year ended 31 March 2017(In Indian Rupees)

Particulars	Share capital	Other Reserve	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	2650,20,000	319,00,192	5077,57,842	11813,33,215	19860,11,249
Profit for the year			5717,69,295		5717,69,295
Dividend paid			(1560,07,390)		(1560,07,390)
Other comprehensive income					-
Foreign currency adustment					-
Additions during the year			-	(553,73,105)	(553,73,105)
Deduction					-
Balance as at March 31, 2017	2593,80,000	312,21,311	9235,19,747	11259,60,110	23464,00,049

Redington Distribution Pte Ltd and its Subsidiaries

Cash Flow Statement

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	7460,64,100	6306,47,231
Adjustments for		
Depretiation and Amortisation	2,30,462	1,45,247
Finance cost	288,37,598	326,21,158
Interest received	(72,98,735)	(1,28,833)
Change in Working capital		
Inventories	4352,33,770	(2771,06,167)
Trade receivables	4454,35,448	(22067,11,557)
Other Current Assets	(5,65,108)	(1455,07,016)
Trade and other payables	339096,08,013	-
Borrowings	(1039632,16,021)	-
Other Current Liablities	(177956,77,505)	(2771,06,167)
Cash flow from operating activity	**(862013,47,979)**	**(22428,55,609)**
Direct taxes paid	(1742,94,804)	(1228,89,389)
Interest received	72,98,735	1,28,833
Net Cash Flow From Operating Activity	(863683,44,048)	(23656,16,165)
Cash flow from investing activity		
Purchases of property and equipment	14,63,657	(2,10,514)
Net cash in investing activity	14,63,657	(2,10,514)
Cash flow from financing activity		
Increase in bank borrowings	-	15527,10,373
Interest expense	(288,37,598)	(1033,15,648)
Net cashflow from financing activity	**(288,37,598)**	**14493,94,725**
Net increase in cash and cash equivalents	(863957,17,989)	(9164,31,953)
Cash and Cash equivalents at the beginning of the year	8487,68,357	8125,83,082
Currency transalation asjustment	864648,06,225	9526,17,228
Cash and Cash equivalents at the end of the year	**9178,56,593**	**8487,68,357**

1. Corporate information

Redington Distribution Pte Ltd (the "Company") is a limited liability company incorporated and domiciled in Singapore. The Company is a wholly-owned subsidiary of Redington (India) Limited, a company incorporated in India. Related company in these financial statements refer to members of the Redington India Limited group of companies.

The registered office and principal place of business of the Company is located at 60 Robinson Road, #12-02 BEA Building, Singapore 068892.

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 companies are disclosed in Note 9 to the financial statements. 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 statement of comprehensive income, 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 years beginning on or after 1 April 2016. 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*
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 102 *Classification and Measurement of Share-Based Payment Transactions*	1 January 2018

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective continued)

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 40 *Transfers of Investment Property*	1 January 2018
Amendments to FRS 104 Applying FRS 109 Financial Instruments with *FRS 104 Insurance Contracts*	1 January 2018
Improvements to FRSs (December 2016)	
Amendments To FRS 101 *First-Time Adoption Of Financial Reporting Standards*	1 January 2018
(a) Amendments To FRS 112 Disclosure Of Interests In Other Entities	1 January 2017
(b) Amendments To FRS 28 Investments In Associates And Joint Ventures	1 January 2018
(c) INT FRS 122 Foreign Currency Transactions and Advance Consideration	1 January 2018
FRS 116 *Leases*	1 January 2019
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Except for FRS 115, FRS 109 and FRS 116, 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, FRS 109 and FRS 116 are described below.

<u>FRS 115 *Revenue from Contracts with Customers*</u>

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)

<u>FRS 109 *Financial Instruments*</u>

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.

<u>FRS 116 Leases</u>

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

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.

2. Summary of significant accounting policies (continued)

2.4 Basis of consolidation and business combinations (continued)

(a) Basis of consolidation (continued)

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.

2. Summary of significant accounting policies (continued)

2.4 Basis of consolidation and business combinations (continued)

(b) Business combinations and goodwill (continued)

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.

2.5 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. Summary of significant accounting policies (continued)

2.6 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:-

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

The carrying values of 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 year-end and adjusted prospectively, if appropriate.

An item of 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 de-recognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.7 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2. Summary of significant accounting policies (continued)

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 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 of disposal 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 group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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.

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 been recognised previously. Such reversal is recognised 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 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries are accounted for at cost less impairment losses.

2.10 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised on the balance sheet when, and only when the Group 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.

2.10 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depend on their classification as follows:

(i) Loans 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. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2.10 Financial instruments (continued)

(b) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.11 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

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 financial assets 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 discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

2.11 Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

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 assets 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 amount of reversal is recognised in profit or loss.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise fixed deposits, cash on hand and at banks that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.13 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 to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) 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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. 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. Summary of significant accounting policies (continued)

2.14 Provisions (continued)

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

2.15 Employee benefits

Defined contribution plan

The Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. CPF contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability 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 Group 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 profit or loss, 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 Group's best estimate of the number of options that will ultimately vest.

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

No expense is recognised for options that do not ultimately 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 conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The employee share option reserve is transferred to retained earnings upon expiry of the share option.

2. Summary of significant accounting policies (continued)

2.16 Lease

Operating lease payments are recognised as an expense in the profit or loss on a straight-line 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 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 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation 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.

2. Summary of significant accounting policies (continued)

2.18 Taxes (continued)

(b) Deferred tax

Deferred tax is provided using the liability method on 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 income tax liability 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 taxable 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 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, 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 the end of each reporting period 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 tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

2. Summary of significant accounting policies (continued)

2.18 Taxes (continued)

(b) Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 end of each reporting period.

Deferred 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.

(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.

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; or

(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 amount of the obligation cannot 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 determined.

3. Significant accounting judgments and estimates

The preparation of financial statement in accordance with FRSs requires the use of certain accounting estimates and exercise of judgements. Estimates and judgements are continuously evaluated and are based on past experience, reasonable expectations of future events and other factors.

The directors are of the opinion that there are no key assumptions concerning the future nor other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

4. Sale of goods

Revenue in respect of the Group represents invoiced value of goods supplied. Revenue excludes intra-group transaction.

4a. Other Income

Particulars	31-Mar-17	31-Mar-16
License fee	33,47,798	32,69,865
Interest on loan	72,98,735	1,28,833
Other Non operating income	7,10,804	58,858
Total	**113,57,338**	**34,57,556**

5. Profit before tax

The following items have been included in arriving at profit before tax:

Particular	March 31, 2017	March 31, 2016
Operating lease expense	20063153	20967750
Bank charges	35408321	24096554

6. Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 March 2017 and 2016 are:

Particular	March 31, 2017	March 31, 2016
Statement of Comprehensive Income	-	-
(A) Current income tax:-		
Current year	125397334	1054,62,903
Under/(over) provision in respect of previous years	782849	(12,74,594)
Withholding tax	48114621	187,01,080
Total (A)	18,79,120	18,79,120
(B) Deferred income tax:-		
Origination and reversal of temporary differences	-	-
Benefits from previously unrecognised tax losses	-	-
Total (B)		
Total (A)+(B)	18,79,120	18,79,120

6. Income tax expense (continued)

Relationship between tax expense and accounting profit

A reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the financial years ended 31 March 2017 and 2016 is as follows:

Particular	March 31, 2017	March 31, 2016
Profit before tax	7460,64,100	6306,47,231
	-	-
Tax at domestic rates	1268,30,928	1072,10,057
Adjustments:	-	-
Non-deductible expenses	30,06,457	14,66,469
Income not subject to taxation	-	-
Under/(over) provision in respect of previous years	7,82,849	(12,74,594)
Effect of partial tax exemption and tax relief	(42,63,220)	(36,17,387)
Withholding tax	481,14,621	187,01,080
Others	(1,76,831)	4,03,763
Income tax expense	1742,94,804	1228,89,389

7. Plant and equipment

Description	Furniture & Fixtures	Computers	Total
Cost			
As at 01.04.16	7,76,840	58,34,680	66,11,520
Additions	-	14,63,657	14,63,657
Assets of Subsidiaries acquired	-	-	-
Disposal	-	-	-
Translation adjustments	(16,532)	(1,70,316)	(1,86,848)
As at 31.03.17	**7,60,308**	**71,28,022**	**78,88,329**
Accumulated Depreciations			
As at 01.04.16	5,53,759	54,23,634	59,77,394
Additions	-	2,30,462	2,30,462
Assets of subsidiaries acquired	-	-	-
Disposals	-	-	-
Disposal of Assets of EA			-
Translation adjustments	(11,785)	(1,22,689)	(1,34,473)
As at 31.03.17	**5,41,975**	**55,31,408**	**60,73,383**
Carrying Amount			
As at 01.04.16	**2,23,081**	**4,11,046**	**6,34,127**
As at 31.03.17	**2,18,333**	**15,96,614**	**18,14,947**

8. Non-Current Financial Assets

Non Current Financial Assets		
Particulars	**31-Mar-17**	**31-Mar-16**
Investment in Subsidiary	-	-
Redington Bangladesh Limited (Bangladesh) *	33,26,159	33,98,484
Redington SL Private Limited (Srilanka) #	162,11,250	165,63,750
Total	**195,37,409**	**199,62,234**

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

\# Audited by SJMS Associates, Colombo.

9. Inventories

Particulars	31-Mar-17	31-Mar-16
(a) Trading Stocks	10092,08,284	14618,29,980
Total	**1009208284**	**14618,29,980**

10. Trade and other receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period		
Considered good	49346,39,396	54918,97,158
(c) Receivables from releted parties	3525,98,513	2331,23,385.39
(b) Other Trade receivables		-
Considered good	2010,71,246	3233,81,578.07
Total Trade and other receivable	**54883,09,155**	**60484,02,121**

<u>Trade receivables</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms (2016: 30 to 90 days'). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

10. Trade and other receivables (continued)

Receivables that are past due but not impaired

The Group has trade receivables amounting to US$26,275,900 (2016: US$18,290,897) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

Particulars	31-Mar-17	31-Mar-16
Lesser than 30 days	11779,98,522	8294,37,003
30 to 60 days	4152,87,871	1818,40,823
61 to 90 days	509,85,743	349,42,754
91 to 120 days	257,53,970	30,92,320
More than 120 days	338,34,630	1625,50,481
Total	**17038,60,736**	**12118,63,381**

Receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

Particulars	March 31, 2017	March 31, 2016
Trade receivables	381041541	293332882
Allowance for impairment	-237775082	-168081610
Total	143266459	125251272

Movement in allowance accounts:

Particulars	31-Dec-16	31-Dec-15
Balance as per last Balance sheet	495,14,489	1321,33,340
Charge for the year	656,87,481	376,58,778
Collections	-	-
CTA	(30,07,384)	(179,78,646)
Closing balance	**684,14,643**	**495,14,489**

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that have not paid within a reasonable period even after due date. These receivables are not secured by any collateral or credit enhancements.

11. Cash and cash equivalents

Cash and cash equivalents included in the consolidated cash flow statement comprise the following balance sheet amounts:-

The fixed deposits of the Company earn interest of 0.5% to 0.81% per annum for the financial year ended 31 March 2017. The fixed deposit has matured as at 31 March 2017.

No fixed deposits have been pledged as a performance guarantee to suppliers (2016: Nil).

12. Other Current Assets

Particulars	31-Mar-17	31-Mar-16
Prepayments	5,47,292	-
Total	**5,47,292**	**-**

13. Trade and other payables

Particulars	**31-Mar-17**	**31-Mar-16**
(a) Trade Payables	45153,31,913	40108,89,271
Due to related parties	153,36,750	133,32,957
Total Trade Payables	**4530668663**	**4024222228**

Trade payables/other payables

These amounts are non-interest bearing. These are normally settled within 90 days.

This amount is unsecured, interest free and expected to be settled in cash.

14. Share capital

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

15. Other reserves

Employee share option plan

The directors and employees of the Company are eligible to participate in the Share Option Plan ("Option Plan") of the holding company. Options are typically granted with an exercise price equal to or above fair market value on the date of grant. Under the Option Plan, options vest and become exercisable in instalments, generally on a rateable basis. The contractual life of the options is one to eight years. There are no cash settlement alternatives.

There were no share options as at 31 March 2017 and 31 March 2016.

16. Related party transactions

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with holding and related companies on terms agreed between the relevant parties:

Particular	March 31, 2017	March 31, 2016
Holding company:-		
Sales	4531,40,606	5296,27,748
Purchases	187,84,026	259,48,605
Related companies:-		
Fee Income	33,47,798	32,69,865
Sales	734,80,217	1076,49,266
Purchases	124,22,206	213,82,304
Subsidiary companies:-		
Sales	7251,34,336	6488,48,609
Service charges	133,04,484	94,12,504

The above transactions are at rates agreed between the parties.

16. Related party transactions (continued)

(b) *Compensation of key management personnel*

Particular	March 31, 2017	March 31, 2016
Short term employee benefit	665,37,888.51	392,71,475.65
Contributions to defined contribution schemes	10,95,801.27	8,22,632.73
	676,33,690	400,94,108
Comprise amount paid to:		
Directors of the Company	676,33,689.78	400,94,108.39

17. Short-term borrowings

Particulars	31-Mar-17	31-Mar-16
(a) External Loans		15527,10,373
Total		15527,10,373

Trust receipts are denominated in USD, unsecured and bear interest of 1.9% to 2.14%.

18. Other Current Liability

Particulars	31-Mar-17	31-Mar-16
(a) Creditors for other liabilities	1601,46,140	1879,02,559
(e) Advances/Deposit received from customers	2462,58,160	3837,82,684
(f) Other Liabilities	321,58,127	1326,59,007
Total	**4385,62,427**	**7043,44,250**

19. Employee Benefits

Particulars	31-Mar-17	31-Mar-16
Salaries	927,31,328	862,59,376
Post employment benefits		
Contribution to Provident Fund and other Funds(Defined contribution plan)	88,82,378	65,60,723
Total	**1016,13,706**	**928,20,099**

20. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Bad Debts (net)	110,47,734	-
Exchange Loss Net	4,43,315	203,39,020
Miscellaneous Expenses	6414,76,009	6543,40,087
Total	**6529,67,058**	**6746,79,107**

21. Commitments

Operating lease commitments – as lessee

The Group and Company have entered into a commercial lease on office premises and warehouse. These leases have tenure of three years with renewal option included in the contracts. The Group and Company are restricted from subleasing the leased office and warehouse to third parties.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2017 amounted to US$403,016 (2016: US$406,395).

Future minimum rental payable under operating leases at the end of the reporting period are as follows:

Particular	March 31, 2017	March 31, 2016
Not later than one year	11150876	19621551
Later than one year but not later than five years	8507340	19916452

21. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets of liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset of liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset of liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy.

Derivatives

Forward currency contracts are valued using a valuation technique with marketable observable inputs. The most frequently applied valuation technique includes forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and forward rate curves.

(d) Financial instruments whose carrying amount approximates fair value

Management has determined that the carrying amounts of cash and cash equivalents, current trade and other receivables, current trade and other payables and short-term borrowings based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature.

22. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The policies for managing each of these risks are summarised below. The Group does not hold or engages derivative financial instruments.

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 that are approved by the management. The counterparty's payment profile and credit exposure are continuously monitored by the management.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables, before allowance for impairment at the balance sheet date is as follow:

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 11.

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.

22. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

2017	**One year or Less**	**Total**
Financial assets:		
Trade and other receivables, excluding GST receivables	5301307069	5301307069
Cash and cash equivalents	917856593.3	917856593.3
Total undiscounted financial assets	**6219163663**	**6219163663**
Financial liabilities:		
Trade and other payables (Note 13)	4969231091	4969231091
Total undiscounted financial liabilities	**4969231091**	**4969231091**
Total net undiscounted financial assets	**1249932572**	**1249932572**
2016	**One year or Less**	**Total**
Financial assets:		
Trade and other receivables, excluding GST receivables	5743607058	5743607058
Cash and cash equivalents	848768357	848768356.9
Total undiscounted financial assets	**6592375415**	**6592375415**
Financial liabilities:		
Trade and other payables	4728566479	4728566479
Short-term borrowings	1552710373	1552710373
Total undiscounted financial liabilities	**6281276852**	**6281276852**
Total net undiscounted financial assets	**3110,98,564**	**3110,98,564**

23. 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 2017 and 31 March 2016.

25. General

Financial are presented in Indian Rupees unless stated otherwise

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

Report and separate financial statements
for the year ended 31 March 2017

Redington Gulf FZE

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Separate Financial Statements

Opinion

We have audited the separate financial statements of **Redington Gulf FZE - Jebel Ali Free Zone, Dubai, United Arab Emirates** (the "Establishment") which comprise the separate statement of financial position as at 31 March 2017, and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, notes to the separate financial statements and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Establishment as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IND AS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Separate Financial Statements

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

In preparing the separate financial statements, management is responsible for assessing the Establishment's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

Cont'd…

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Establishment to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, we report that the separate financial statements of the Establishment comply, in all material respects, with the applicable provisions of the Jebel Ali Free Zone Companies Implementing Regulations 2016.

Deloitte & Touche (M.E.)

Cynthia Corby
Registration No. 995
22 May 2017
Dubai, United Arab Emirates

Separate statement of financial position
as at 31 March 2017 (In INR Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	7	4164,42,097	4546,33,510
Other Intangible assets(Software)	8	2053,23,713	2755,99,508
Non-Current Financial Assets		14916,75,576	14475,39,065
Deferred Tax Assets (Net)		97,02,817	66,75,354
Other Non Current Assets		27253,40,698.74	27843,85,888.05
Total Non Current Assets		**48484,84,902**	**49688,33,325**
Current Assets			
Inventories	10	60639,57,077	72542,03,117
Financial assets			
(i) Trade receivables	11	267657,35,493	403546,84,393
(ii) Cash and bank balances	13	29473,72,751	8652,70,852
(iii) Other financial assets	12	647,24,113	648,87,201
Total Current assets		**358417,89,433**	**485390,45,563**
Total Assets		**406902,74,334**	**535078,78,887**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		2118,60,000	2164,50,000
Other Equity			
Other reserves		126138,52,497	63154,96,094
Retained earnings		17818,14,734	79934,01,393
Equity attributable to the owners of the Company		**146075,27,231**	**145253,47,488**
Non-Controlling interests		-	-
Total Equity		**146075,27,231**	**145253,47,488**
Non-Current Liabilities			
Provisions	15	2400,95,712	2710,98,051
Total Non-current Liabilities		**2400,95,712**	**2710,98,051**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	12	188048,44,497	241147,23,793
Borrowings	16	56587,36,568	130913,41,671
Current tax liabilities (net payables)		474,13,897	440,66,460
Other Current Liablities	19	13316,56,429	14613,01,425
Total Current Liabilities		**258426,51,392**	**387114,33,348**
Total Equity and Liabilities		**406902,74,334**	**535078,78,887**

………………
Director

The accompanying notes form an integral part of these separate financial statements.

Separate statement of profit or loss and other comprehensive income
for the year ended 31 March 2017 (In Indian Rupees)

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations	19	1708846,44,770	1527776,76,952
(b)Dividend income		-	-
(a)Investment Income		-	
(b)Other gain / (losses)	20	253,95,728	300,24,813
(c) Total Revenue(a+b)		**1709100,40,498**	**1528077,01,765**
(d) Expenses			
Purchase of traded goods		1567393,10,047	1395797,06,109
Changes in inventories		11902,46,041	4991,60,282
Employee Benefits	21	18161,11,718	18346,22,538
Finance Costs	22	3762,21,322	4195,30,580
Depreciation & Amortisation		1638,40,660	1256,79,771
Other Expenses	23	91011,92,302	89676,15,342
Total Expenses(d)		**1693869,22,089**	**1514263,14,621**
Profit before Corporate social responsibility expenditure and Tax		15231,18,409	13813,87,144
Profit before exceptional items and tax		15231,18,409	13813,87,144
e.Profit before tax (c-d)		**15231,18,409**	**13813,87,144**
Income Tax expense:			
Current tax		(52,82,217)	(52,71,591)
h.Profit for the Year (e-f-g)		**15178,36,191**	**13761,15,554**
(i) Items that may be subsequently classified to Profit and loss			
Foreign exchange differences in translating the financial statements of froreign operations		(27,80,662)	(58,09,041)
k.Total Other comprehensive income(i+j)		(27,80,662)	(58,09,041)
Total Comprehensive Income for the Year attributable to (h+k)		15150,55,529	13703,06,513
Profit for the year attributable to the :-			
Shareholders of the Company		15178,36,191	13761,15,554
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		15150,55,529	13703,06,513

The accompanying notes form an integral part of these separate financial statements.

Separate statement of changes in equity
for the year ended 31 March 2017 (In Indian Rupees)

Particulars	Share capital	Additional Paid Up Capital	Capital Reserve	Equity Setteled employees benefit reserve	Cumulative Translation Adjustment reserve	Retained earnings	Foreign currency transalation reserve	Total Equity
As at April 2016	2164,50,000	17347,36,054	30967,02,711	1183,27,190	(103,85,415)	13761,15,554	79934,01,393	145253,47,488
Profit for the year						15178,36,191		15178,36,191
Dividend paid						(11121,37,011)		(11121,37,011)
Other comprehensive income					(27,80,662)			(27,80,662)
Foreign currency adustment								-
Additions during the year		-				-	(3207,38,774)	(3207,38,774)
Deduction								-
Balance as at March 31, 2017	2118,60,000	16979,49,551.27	30310,34,587	1158,17,965.23	(128,58,084)	17818,14,734	76726,62,619	146075,27,231

The accompanying notes form an integral part of these separate financial statements.

Statement of cash flows
for the year ended 31 March 2017(In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	15231,18,409	13813,87,144
Adjustments for		
Provision for employees' end-of-service indemnity	690,58,520	658,01,496
Depreciation of property and equipment	690,74,581	631,12,252
Amortisation of intangible asset	947,66,079	625,67,519
Write-off of related party receivable	-	424,69,100
Allowance for doubtful debts - specific	654,13,519	115,52,471
Gain on disposal of property and equipment	(2,91,686)	(1,14,199)
Interest income	(129,07,914)	(279,33,982)
Reversal of allowance for slow-moving inventories	(169,66,290)	(310,60,971)
Interest expense	3762,21,322	4195,30,580
Effects of exchange rate changes on cash and cash equivale	(30,35,961)	(55,09,870)
Change in Working capital		
(Increase)/decrease in other financial assets	(12,52,427)	88,41,701
Decrease in trade and other receivables	35127,55,969	23037,79,583
Decrease in inventories	10871,58,231	9836,91,718
Decrease/(increase) in due from related parties	95689,27,293	(130716,78,858)
(Decrease)/increase in trade and other payables	(11964,45,923)	39442,71,455
(Decrease)/increase in due to related parties	(38953,02,962)	12077,17,490
Cash Generated from Operations	**112402,90,759**	**(26415,75,370)**
Employees' end-of-service indemnity paid	(269,77,305)	(171,39,684)
Taxes paid	(38,77,767)	(123,56,813)
Net Cash generated from operating activities	112094,35,688	(26710,71,866)
Cash flow from investing activity		
Purchase of property and equipment	(396,38,580)	(886,26,978)
Proceeds from disposal of property and equipment	3,36,697	29,51,222
Purchase of intangible asset	(282,34,746)	(1156,21,196)
Interest received	139,86,515	289,25,485
Investments in subsidiaries	(772,71,600)	(3795,05,377)
Net cash in investing activity	(396,38,580)	(886,26,978)
Cash flow from financing activity		
Dividend paid	(11121,37,011)	(6419,64,530)
Interest paid	(4093,94,661)	(4227,22,787)
Repayments of bank overdraft	(312,68,865)	(1607,84,419)
(Repayment of)/proceeds from promissory note	(1354,03,320)	214,91,898
(Repayment of)/proceeds from bank borrowings under trus	(56931,02,641)	59492,58,185
Repayments of bank short term loans	(15284,02,139)	(22667,88,714)
Net cashflow from financing activity	**(89097,08,637)**	**24784,89,633**
Net increase in cash and cash equivalents	22600,88,470	(2812,09,211)
Cash and Cash equivalents at the beginning of the year	8652,70,852	15557,21,274
Currency transalation asjustment	(1779,86,572)	(4092,41,211)
Cash and Cash equivalents at the end of the year	**29473,72,751**	**8652,70,852**

The accompanying notes form an integral part of these separate financial statements.

Notes to the separate financial statements for the year ended 31 March 2017

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 Implementing Regulations issued thereunder by the Jebel Ali Free Zone Authority.

b) The immediate Parent and Holding Company is Redington International Mauritius Limited, Mauritius and the ultimate controlling party is Redington (India) Limited, India.

c) The principal activity of the Establishment is distribution of Information technology & Telecommunication products and spare parts, providing hardware support and maintenance services for Information Technology & Telecommunication products.

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), Ensure Computer Services (formerly Redington Gulf FZE - Service) (Kuwait Branch), Redington Gulf FZE (Iraq Branch) and Redington Gulf FZE (India Branch).

f) Details of the Establishment's subsidiaries and sub-subsidiaries as at 31 March 2017 are as follows:

Name of subsidiary	*Place of registration and operation*	*Ownership interest %*	*Beneficial interest %*	*Principal activity*
Cadensworth FZE	Jebel Ali, Dubai, U.A.E.	100	100	Distribution of information technology products and spare parts.
Redington Middle East LLC [Note 1(g)]	Dubai, U.A.E.	49	100	Distribution of information technology products, providing hardware support & maintenance services.
Cadensworth UAE LLC [Note 1(g)]	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 & maintenance services.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

1. Establishment and operations (continued)

Name of subsidiary	*Place of registration and operation*	*Ownership interest %*	*Beneficial interest %*	*Principal activity*
Ensure Services Bahrain S.P.C. (formerly Redington Bahrain S.P.C.)	Manama, Kingdom of Bahrain	100	100	Providing hardware support & maintenance services.
Ensure Services Arabia LLC (formerly known as 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 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	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 products, providing hardware support and maintenance services.
Redington Kenya Limited	Nairobi, Kenya	100	100	Distribution of information technology products, providing hardware support & maintenance services.
Redington Kenya (EPZ) Limited	Nairobi, Kenya	100	100	Distribution of information technology products, providing hardware support & maintenance services.
Redington Tanzania Limited	Dar e saalam, Tanzania	100	100	Distribution of information technology products, providing hardware support & maintenance services.
Redington Uganda Limited	Kampala, Uganda	100	100	Distribution of information technology products, providing hardware support & maintenance services.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

1. Establishment and operations (continued)

Name of subsidiary	*Place of registration and operation*	*Ownership interest %*	*Beneficial interest %*	*Principal activity*
Ensure IT Services (Pty) Ltd.	Johannesburg, South Africa	100	100	Distribution of information technology and telecommunication products, providing hardware support and maintenance services.
Redington Angola Ltd.	Luanda, Angola	100	100	Distribution of information technology products, providing hardware support & maintenance services.
Redington Nigeria Limited	Lagos, Nigeria	100	100	Distribution of information technology products, providing hardware support & maintenance services.
Redington Limited	Accra, Ghana	100	100	Distribution of information technology 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.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

1. Establishment and operations (continued)

Name of subsidiary	*Place of registration and operation*	*Ownership interest %*	*Beneficial interest %*	*Principal activity*
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	80	80	Distribution of information technology products.
Redserv Business Solutions Private Limited	Chennai, India	100	100	Business process consulting and outsourcing

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 [Note 1(g)]	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.
Ensure Middle East Technology Solutions LLC	Abu Dhabi	49	100	Providing hardware support and maintenance services.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

1. Establishment and operations (continued)

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 [Note 1(g)]	Doha, Qatar	49	100	Providing hardware support & maintenance services.
Redington Qatar Distribution W.L.L. [Note 1(g)]	Doha, Qatar	49	100	Distribution of information technology products.

Proconnect Supply Chain Logistics LLC has the following subsidiary:

Name of subsidiary	*Place of registration and operation*	*Ownership interest %*	*Beneficial interest %*	*Principal activity*
ProConnect Saudi LLC	Riyadh, Saudi Arabia	51	100	Providing logistic services.

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.
PayNet Güvenli Ödene Hizmetleri Anonim Sirketi	Istanbul, Turkey	100	100	Payment intermediation services.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

1. Establishment and operations (continued)

Redington Egypt Ltd. has the following subsidiary:

Name of subsidiary	*Place of registration and operation*	*Ownership interest %*	*Beneficial interest %*	*Principal activity*
Redington Distribution Company LLC	Cairo, Egypt	99	100	Distribution of information technology and telecommunication products.

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 (IND AS)

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

The following new and revised IND AS, which became effective for annual periods beginning on or after 1 April 2016, have been adopted in these separate financial statements. The application of these new and revised IND AS 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.

- IND AS 114 *Regulatory Deferral Accounts*
- Amendments to IND AS 1 *Presentation of Financial Statements* relating to Disclosure initiative
- Amendments to IND AS 111 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 41 *Agriculture*: Bearer Plants
- Amendments to IND AS 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
- Amendments to IND AS 110 *Consolidated Financial Statements*, IND AS 112 *Disclosure of Interests in Other Entities* and IND AS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities
- Annual Improvements to IND ASs 2012 - 2014 Cycle covering amendments to IND AS 105, IND AS 107, IND AS 19 and IND AS 34

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective

The Establishment has not yet applied the following new and revised IND AS that have been issued but are not yet effective:

New and revised IND AS	***Effective for annual periods beginning on or after***
Annual Improvements to IND AS Standards 2014 - 2016 Cycle amending IND AS 101, IND AS 112 and IND AS 28	The amendments to IND AS 101 and IND AS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IND AS 112 for annual periods beginning on or after 1 January 2017
Amendments to IND AS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses	1 January 2017
Amendments to IND AS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	1 January 2017
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: ▪ there is consideration that is denominated or priced in a foreign currency; ▪ the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and ▪ the prepayment asset or deferred income liability is non-monetary.	1 January 2018
Amendments to IND AS 102 *Share Based Payment* regarding classification and measurement of share based payment transactions	1 January 2018
Amendments to IND AS 104 *Insurance Contracts*: Relating to the different effective dates of IND AS 109 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IND AS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	1 January 2018

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
Amendments to IND AS 107 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IND AS 109	When IND AS 109 is first applied
IND AS 107 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IND AS 109	When IND AS 109 is first applied
IND AS 109 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014)	1 January 2018

IND AS 109 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IND AS 109 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 IND AS 109 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.

A finalised version of IND AS 109 which contains accounting requirements for financial instruments, replacing IND AS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- ***Classification and measurement:*** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IND AS 109 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IND AS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- ***Impairment:*** The 2014 version of IND AS 109 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised
- ***Hedge accounting:*** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- ***Derecognition:*** The requirements for the derecognition of financial assets and liabilities are carried forward from IND AS 39.

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
IND AS 115 *Revenue from Contracts with Customers*	1 January 2018

In May 2014, IND AS 115 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 *Revenue*, IND AS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IND AS 115 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 IND AS 115, 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 IND AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 115.

Amendments to IND AS 115 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018
IND AS 116 *Leases*	1 January 2019

IND AS 116 specifies how an IND AS 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 IND AS 116’s approach to lessor accounting substantially unchanged from its predecessor, IND AS 17.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
Amendments to IND AS 110 *Consolidated Financial Statements* and IND AS 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 as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the separate financial statements of the Establishment in the year of initial application.

3. Presentation of financial statements of the Establishment 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 (IND AS) 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 Gulf FZE and its subsidiaries are separately issued.

4. Significant accounting policies

Statement of compliance

The separate financial statements are prepared in accordance with International Financial Reporting Standards (IND AS).

Presentation of separate financial statements of the Establishment 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 (IND AS) 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.

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 U.A.E. Federal Law No. (2) of 2015 ("Companies Law") has come into force on 1 July 2015. The Establishment has 24 months from the effective date of the Companies Law to comply with its provisions (the "transitional provision") and the Establishment has availed the transitional provision.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

4. Significant accounting policies (continued)

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. 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 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.

Service revenue

Service revenue 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.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

4. Significant accounting policies (continued)

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 are 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 amortised 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.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

4. Significant accounting policies (continued)

Impairment of tangible and intangible assets (continued)

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 IND AS 27 *Separate Financial Statements* under which such investments are carried at cost less any impairment in value.

4. Significant accounting policies (continued)

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 separate statement of profit or loss and other 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 separate 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 Establishment 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.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

4. Significant accounting policies (continued)

Taxation (continued)

Deferred tax (continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Establishment 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

Share Purchase options granted by the Ultimate Parent Company, Redington (India) Limited, to employees under the Establishment'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.

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. As at the reporting date, all options are vested.

Foreign currencies

In preparing the separate financial statements of the Establishment, transactions in currencies other than the Establishment's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at 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 recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

4. Significant accounting policies (continued)

Foreign currencies (continued)

For the purpose of presenting the separate financial statements, the assets and liabilities of the Establishment's foreign operations are translated into Arab Emirates Dirhams using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation is reclassified to profit or loss.

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 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 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 (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 to suppliers and other advances), other financial assets, 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.

4. Significant accounting policies (continued)

Financial instruments (continued)

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 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 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.

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 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 Establishment neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Establishment recognises 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 recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets (continued)

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 Establishment 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'.

Other financial liabilities

Other financial liabilities, including bank borrowings, trade and other payables (excluding advances from customers and other payables), loan from a supplier and amounts due to related parties 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 Establishment derecognises 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 judgements and key sources of estimation uncertainty in applying the Establishment's accounting policies

Critical judgements in applying the Establishment's accounting policies

The following are the critical judgements (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 separate financial statements, and that have the most significant effect on the amounts recognised in the separate 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 and services as set out in IND AS 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, 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.

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 credit insurance in place. 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 general risks

In addition to specific allowance for doubtful debts management had considered it necessary to build an allowance for other risks based on a percentage of third party sales. Such provision is maintained 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. Factors influencing this provision can relate to devaluation of currency in particular countries, unanticipated geopolitical risk which may affect recovery of inventory, cash or receivables. Revisions to this provision would be required if these factors differ from estimates.

5. Critical accounting judgements 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 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 inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

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.

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 Establishment 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.

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 against the accounts payable balances. 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.

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 whether these obligations have been met by its customers during the period of agreement. This requires management knowledge of all customers for whom these connected commitments are in place in order to ensure that the accrual is complete.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

6. Intangible asset

Intangible asset represents the cost of computer software:

Particulars	Software	Total
Cost		
As at 01.04.16	4142,26,624	4142,26,624
Additions	282,34,746	282,34,746
Assets acquired on acquisition	-	-
Disposals	-	-
Translation adjustment	(96,75,156)	(96,75,156)
As at 31.03.17	**4327,86,213**	**4327,86,213**
Accumulated Depreciation		
As at 01.04.16	1386,27,116	1386,27,116
Additions	947,66,079	947,66,079
Disposals	-	-
Translation adjustment	(59,30,694)	(59,30,694)
As at 31.03.17	**2274,62,500**	**2274,62,500**
Carrying Amount		
As at 01.04.16	**2755,99,508**	**2755,99,508**
As at 31.03.17	**2053,23,713**	**2053,23,713**

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

7. Property and equipment

Description	Building	Plant and Equipment	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost							
As at 01.04.16	4452,94,919.06	980,40,739	4059,85,344	652,37,777	532,58,659	83,44,093	10761,61,532
Additions	-	69,40,909	153,86,445	71,18,200	70,74,118	31,18,909	396,38,580
Assets of Subsidiaries acquired	-	-	-	-	-	-	-
Disposal	-	-	-	1,10,786	22,10,489	11,05,181	34,26,455
Translation adjustments	(94,42,844.44)	(22,98,102)	(90,94,877)	(16,04,588)	(12,82,899)	(2,40,500)	(239,63,811)
As at 31.03.17	**4358,52,074.63**	**1026,83,546**	**4122,76,912**	**706,40,603**	**568,39,390**	**101,17,321**	**10884,09,846**
Accumulated Depreciations							
As at 01.04.16	1242,55,611.68	850,12,054	3382,37,577	402,97,940	263,60,814	73,64,026	6215,28,022
Additions	225,02,839.32	53,70,598	139,69,761	104,32,957	156,12,793	11,85,631	690,74,581
Assets of subsidiaries acquired	-	-	-	-	-	-	-
Disposals	-	-	-	65,775	22,10,489	11,05,181	33,81,445
Disposal of Assets of EA							-
Translation adjustments	(33,45,173.46)	(19,72,256)	(76,13,517)	(11,81,758)	(9,82,004)	(1,58,699)	(152,53,409)
As at 31.03.17	**1434,13,277.54**	**884,10,396**	**3445,93,821**	**494,83,363**	**387,81,114**	**72,85,777**	**6719,67,749**
Carrying Amount							
As at 01.04.16	**3210,39,307.39**	**130,28,685**	**677,47,768**	**249,39,838**	**268,97,845**	**9,80,068**	**4546,33,510**
As at 31.03.17	**2924,38,797.09**	**142,73,149**	**676,83,091**	**211,57,240**	**180,58,276**	**28,31,544**	**4164,42,097**

The building consists of a distribution centre in Jebel Ali Free Zone which is constructed on land leased for a period of 10 years which ended in April 2017. The lease has been renewed on 24 April 2017 for another 10 years ending on 25 April 2027.

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

8. Investments in subsidiaries

Particulars	31-Mar-17	31-Mar-16
Investment in Subsidiary	14916,75,576	14475,39,065
Total	**14916,75,576**	**14475,39,065**

9. Related party transactions

The Establishment enters into transactions with the 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 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 due from/to related parties were as follows:

Due from Related Parties		
Particulars	**31-Mar-17**	**31-Mar-16**
Subsidiaries under common management or control	215758,62,406	315109,93,164
Less: Amount due within 12 months (current)	(188505,21,707)	(287266,07,276)
Amount due beyond 12 months (non-current)	**215758,62,406**	**315109,93,164**

Due to Related Parties		
Particulars	**31-Mar-17**	**31-Mar-16**
Subsidiaries under common management or control	36034,74,569	74681,97,294
Total	**36034,74,569**	**74681,97,294**

Due from related parties non-current portion pertains to amounts due from Redington Turkey Holdings S.A.R.L. (RTHS), a subsidiary and bears interest at 0.5% (2016: 0.5%) per annum. The amount due is also subject to variable interest equivalent to 85% of net profit of RTHS from its investment (2016: 85%).

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

9. Related party transactions (continued)

The following is a summary of transactions with related parties, which are included in the separate financial statements:

Summary Transaction with Relates Parties

Paticular	31-Mar-17	31-Mar-16
Sales to subsidiaries under common management or control	1072141,76,691	791915,30,294
Rebates given to subsidiaries under common management or control	69576,51,392	58980,90,124
Purchases from subsidiaries under common management or control	17207,74,426	24876,06,041
Transfer of employees' end-of-service indemnity	(681,57,720)	(15,40,081)
Interest income	120,96,717	247,77,900
Write-off of related party receivable	-	424,69,100

Remunaration to Key Managerial Personnel		
Particulars	31-Mar-17	31-Mar-16
Salaries and other short-term benefits	-	1173,72,155
Long-term benefits	-	62,59,729
Total	-	1236,31,884

10. Inventories

Particulars	31-Mar-17	31-Mar-16
Trading Stocks	58886,04,527	71563,90,264
Goods In Transist	1753,52,550	978,12,853
Total	**60639,57,077**	**72542,03,117**

Movement in allowance for slow-moving items:

Particulars	31-Mar-17	31-Mar-16
Balance at April 1, 2016	**346,82,884**	**624,00,250**
Additional Provisions	**180,87,477**	**342,35,088**
Provisions no longer required	**(350,53,766)**	**(652,96,059)**
CTA	**(703,07,524)**	**(1272,48,513)**
Balance at March 31, 2017	**175,16,602**	**346,82,884**

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

11. Trade and other receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	73616,26,342	105305,69,105
Less:Allowance for doubtful debts	(389,92,709)	(620,74,667)
(c) Receivables from releted parties	188505,21,707	287266,07,276
(b) Other Trade receivables		-
Considered good	5925,80,153	11595,82,679
Total Trade and other receivable	**267657,35,493**	**403546,84,393**

Ageing of trade receivables past due but not impaired:

Particulars	31-Mar-17	31-Mar-16
1 - 30 days overdue	-	10699,13,162
31 - 60 days overdue	-	11802,64,783
61 - 90 days overdue		3189,14,273
Over 90 days overdue		227,69,295
Total	-	**25918,61,513**

Movement in the specific allowance for doubtful debts:

Particulars	31-Mar-17	31-Mar-16
Balance at beginning of the year	620,74,667	676,37,875
Impairment losses recognised during the year	654,13,519	115,52,471
Reversal of losses during the year	(878,88,484)	-
Amount written off as uncollectible	-	(210,56,005)
CTA	(884,95,477)	(171,15,679)
Balance at the end of the year	389,92,709	620,74,667

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

11. Trade and other receivables (continued)

In determining the recoverability of a trade receivable, the Establishment considers significant 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, management believes that there is no further credit allowance required in excess of the allowance for doubtful debts.

Ageing of impaired trade receivables:

Ageing of Impaired trade receivable	31-Mar-17	31-Mar-16
Over 90 days overdue	389,92,709	620,74,667

12. Other financial assets

Particulars	31-Mar-17	31-Mar-16
Deposits	647,24,113	648,87,201
Total	**647,24,113**	**648,87,201**

Margin deposits are held by banks against letters of guarantee (Note 26).

13. Cash and cash equivalents

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	27,13,114	43,66,698
(b) Balances with banks		
(i) In current accounts	24079,51,573	3165,81,069
(i) In deposit accounts	5367,08,063	5443,23,085
Total	**29473,72,751**	**8652,70,852**

Short-term deposits have original maturity period of 3 months or less and carry an average interest rate of 0.5% per annum (2016: 0.4% per annum).

14. Share capital

	2017 AED	2016 AED
Authorised, issued and fully paid-up:		
12 shares of AED 1,000,000 each	**12,000,000**	12,000,000
	==========	==========

Notes to the separate financial statements for the year ended 31 March 2017 (continued)

15. Provision for employees' end-of-service indemnity

Particulars	31-Mar-17	31-Mar-16
Balance at the beginning of the year	**2710,98,051**	**2106,98,259**
Charged during the year	690,58,520	658,01,496
Transferred from related parties	(681,57,720)	(15,40,081)
Paid during the year	(269,77,305)	(171,39,684)
Currency translation adjustment	4851,17,258	5289,18,041
Balance at the end of the year	**2400,95,712**	**2710,98,051**

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. In the case of the branch incorporated outside the U.A.E., provision is made in accordance with the labour law as applicable in that country.

16. Borrowings

Particulars	31-Mar-17	31-Mar-16
(a) Secured loans from banks	56587,36,568	129573,70,971
(b) External Loans	-	1339,70,699
Total	56587,36,568	130913,41,671
Current	**56587,36,568**	**130913,41,671**

17. Trade and other payables

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	152013,69,928	166465,26,499
Due to related parties	36034,74,569	74681,97,294
Total Trade Payables	**18804844497**	**24114723793**

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

18. Other Current Liability

Particulars	31-Mar-17	31-Mar-16
(a) Creditors for other liabilities	7199,36,013.72	7874,55,489.60
(b) Advances/Deposit received from customers	2938,59,230	3318,01,075
(c)Other Liabilities	3178,61,185	3420,44,860
Total	**13316,56,429**	**14613,01,425**

One of the Establishment's suppliers provided support to the Establishment through subscription of the Establishment's unsecured promissory notes. The funds received were used by the Establishment to invest in the supplier's business in six countries in Africa. The notes had an interest rate of 1% per annum and were fully repaid in September 2016.

19. Revenue From Operation

Particulars	31-Mar-17	31-Mar-16
Sales	1708846,44,770	1527776,76,952
Total	**1708846,44,770**	**1527776,76,952**

20. Other Non-Operating Income

Particulars	31-Mar-17	31-Mar-16
Interest on loan	129,07,914	279,33,982
Profit on sale of Fixed Assets (net)	2,91,686	1,14,199
Other Non operating income	121,96,127	19,76,633
Total	**253,95,728**	**300,24,813**

21. Employee Benefit Expenses

Particulars	31-Mar-17	31-Mar-16
Salaries	18161,11,718	18346,22,537
Total	**18161,11,718**	**18346,22,538**

22. Finance Cost

Particulars	31-Mar-17	31-Mar-16
Interest Expenses	3762,21,322	4195,30,580
Total	**3762,21,322**	**4195,30,580**

23. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Rent	1090,22,950	1034,97,161
Freight	1497,86,911	1546,85,359
Repairs and Maintenance	110,24,114	209,57,350
Utilities	234,36,618	161,15,349
Insurance	1546,37,797	1309,53,854
Communication	1077,08,394	1131,53,476
Sales Promotion Expenses	78418,09,951	78654,28,567
Travelling Expenses	1159,99,828	1059,58,560
Professional Charges	558,77,660	702,89,826
Warehouse handling charges	741,39,766	458,59,811
Bad Debts	654,13,519	115,52,471
Bank Charges	810,29,903	701,29,513
Miscellaneous Expenses	3113,04,892	2590,34,043
Total	**91011,92,302**	**89676,15,342**

24. 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

Financial Assets	31-Mar-17	31-Mar-16
Loans and receivables (including cash and cash equivalents)	31962639471	42951833166
Investment in subsidiaries	1491675576	1447539065
Total	**33454315047**	**44399372231**
Financial liabilities		
At amortized cost	25183517079	37993520953

(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 the reporting date.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

25. 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.

The carrying amounts of the Establishment's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Particulars	**31-Mar-17**	**31-Mar-16**
Assets		
Kuwait Dinar	-	10288,20,580
Indian Rupees	-	309,56,354
Euro	-	-
Iraqi Dinars	-	101,22,356
Liabilities		
Kuwaiti Dinar	-	771,02,989
Indian Rupees	-	168,18,418
Euro	-	-

The following table details the Establishment'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 negative number below indicates a decrease 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.

Profit Or Loss		
Particular	**31-Mar-17**	**31-Mar-16**
Kuwaiti Dinar	-	(951,71,766)
Indian Rupees	-	(14,13,797)
Euro	-	-
Iraqi Dinars	-	(10,12,228)

This is mainly attributable to the exposure to outstanding trade payables and trade receivables as at year end.

25. Financial risk management (continued)

(b) 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 2017 would decrease/increase by AED 1,602,588 (2016: decrease/increase by AED 3,591,787). 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.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

25. Financial risk management (continued)

(d) Liquidity risk management (continued)

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.

Particular	Average Interest Rate	Less than 1 Year	2-5 years	Greater than 5 years	Total
2017	%				
Variable interest rate instruments	LIBOR + margin	56,58,745	-	-	56,58,745
Non- interest bearing instruments	-	195,24,770	-	-	195,24,770
Total		**251,83,516**	-	-	**251,83,516**
2016					
Variable interest rate instruments	LIBOR + margin	126,82,593	-	-	126,82,593
Fixed interest rate instruments	-	1,31,124	-	-	1,31,124
Non- interest bearing instruments		243,74,122	-	-	243,74,122
Total		**371,87,839**	-	-	**371,87,839**

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:

Particular	Average Interest Rate	Less than 1 Year	2-5 years	Greater than 5 years	Total
2017	**%**				
Variable interest rate instruments	1.05	-	-	27,84,395	27,84,395
Variable interest rate instruments	0.2	5,48,340	-	-	5,48,340
Non- interest bearing instruments		293,22,391	-	-	293,22,391
Total		**298,70,731**	-	**27,84,395**	**326,55,126**
2016					
Variable interest rate instruments	1.05	-	-	27,84,395	27,84,395
Variable interest rate instruments	0.2	5,44,318	-	-	5,44,318
Non- interest bearing instruments		396,23,121	-	-	396,23,121
Total		**401,67,438**	-	**27,84,395**	**429,51,833**

26. 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 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 Note 16, 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 the separate 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.

The gearing ratio at the year-end was as follows:

Capital Risk Management	31-Mar-17	31-Mar-16
Gearing Ratio		
Debt	56587,36,568	129573,70,971
Less: Cash and cash equivalents and other financial assets	-30120,96,863	-9301,58,053
Net debt	26466,39,705	120272,12,919
Equity	146075,27,231	145253,47,488
Net debt to equity ratio	0.18:1	0.83:1

27. Contingent liabilities

Particular	31-Mar-17	31-Mar-16
Letters of guarantee	8499,68,761	6610,40,248
Letters of credit	25481,44,385	-

Margin deposits are held against letters of guarantee (Note 12).

28. Dividend

During the year ended 31 March 2017, the Directors of the Establishment declared and approved dividend of AED 5,083,715 per share aggregating to AED 61,004,583 (2016: dividend of AED 3,004,673 per share aggregating to AED 36,056,074).

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

29. Operating lease commitment

Paricular	31-Mar-17	31-Mar-16
Operating lease - Establishment as lessee		
Minimum lease payments recognised as expense during the year	1055,81,985	1048,50,905
Total	1055,81,985	1048,50,905

At the reporting date, the Establishment has outstanding commitments under non-cancellable operating lease, which fall due as follows:

Paricular	31-Mar-17	31-Mar-16
Within one year	-	131,98,850
In the second to fifth years exclusive		
Total	-	131,98,850

30. Reclassifications

In accordance with the requirements of IND AS 1 *Presentation of Financial Statements* and IND AS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, certain items have been corrected retrospectively and accordingly balances in the separate statement of profit or loss and other comprehensive income for the prior year ended 31 March 2016, as previously reported have been reclassified as follows:

Particulars	As previously Reported	Reclassification	As reclassified
Sales	1524885,84,686	(9947,26,025)	1514938,58,661
Cost of sales	1398964,84,514	(9947,26,025)	1389017,58,488

31. Approval of separate financial statements

The separate financial statements for the year ended 31 March 2017 were approved and signed by the Board of Directors on 22 May 2017.

32.All figures in Indian Rupees unless otherwise stated.

Translation
Originally issued in Arabic

Redington Egypt
(Limited Liability Company)
Financial statements for the financial year ended December 31, 2016 and Auditor's report thereon

Translation
Originally issued in Arabic

Redington Egypt Limited Liability Company "LLC"
Financial statements for the financial year ended December 31, 2016

Contents	**Page**

Translation
Originally issued in Arabic

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 2016, 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 31 December 2016, 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: April 27, 2014

Translation
Originally issued in Arabic

Redington Egypt Limited Liability Company (LLC)
Balance sheet as of December 31,2016 (In Indian Rupees)

Particulars	Note No.	As at December 31, 2016	As at December 31, 2015
Assets			
Non-Current Assets			
Property Plant and Equipment	5	23,39,602	58,20,512
Non-Current Financial Assets	5b	7,98,105	14,58,478
Total Non Current Assets		**31,37,707**	**72,78,991**
Current Assets			
Inventories	6	964,47,807	1794,89,771
Financial assets			
Trade receivables	7	1941,62,577	3938,81,329
Cash and bank balances	8	1192,39,327	3433,14,628
Total Current assets		**4098,49,711**	**9166,85,727**
Total Assets		**4129,87,418**	**9239,64,718**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		1,87,375	4,22,500
Other Equity			
Other reserves		-12617931	26038563
Retained earnings		779,67,739	597,83,778
Equity attributable to the owners of the Company		**655,37,183**	**862,44,841**
Non-Controlling interests		-	-
Total Equity		**655,37,183**	**862,44,841**
Non-Current Liabilities			
Deferred Tax Liabilities (Net)		56,186	1,16,669
Total Non-current Liabilities		**56,186**	**1,16,669**
Current Liabilities			
Financial Liabilities			
Trade and other payables	11	3196,76,114	8122,21,723
Provisions	10	59,96,000	34,36,700
Current tax liabilities (net payables)		-	-
Other Current Liablities	11a	217,21,934	219,44,785
Total Current Liabilities		**3473,94,048**	**8376,03,208**
Total Equity and Liabilities		**4129,87,418**	**9239,64,718**

Accompanying notes from no. (1) to (20) are an integral part of these financial statements and are to be read therewith.

Auditor's report "attached"
Cairo: April 23, 2014.

Company's manager

Raj Shankar

Translation
Originally issued in Arabic

Redington Egypt Limited Liability Company (LLC)
Income statement for the year ended December 31,2016 (In Indian Rupees)

Particulars	Note No.	Period ended December 31,2016	Period ended December 31,2015
Comprehensive Income:			
(a).Revenue from operations	13	33147,26,514	28456,81,259
(b)Other gain / (losses)	13a	-	96,970
(c).Total Revenue(a+b)		**33147,26,514**	**28457,78,229**
Purchase of traded goods	14	30909,36,180	27005,99,800
Changes in inventories	14	830,41,964	334,66,836
Employee Benefits	15	334,94,957	339,00,158
Depreciation & Amortisation		14,35,611	12,80,645
Other Expenses	16	349,66,427	435,81,999
Total Expenses(d)		**32438,75,138**	**28128,29,439**
Profit before Corporate social responsibility expenditure and Tax		**708,51,376**	**329,48,790**
Profit before exceptional items and tax		**708,51,376**	**329,48,790**
e.Profit before tax (c-d)		**708,51,376**	**329,48,790**
Income Tax expense:			
Current tax		(183,77,815)	(72,98,193)
Deferred tax		(8,545)	(1,47,874)
h.Profit for the Year (e-f-g)		**524,65,016**	**255,02,723**
Total Comprehensive Income for the Year attributable to (h+k)		524,65,016	255,02,723
Profit for the year attributable to the :-			
Shareholders of the Company		524,65,016	255,02,723
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		524,65,016	255,02,723

Translation
Originally issued in Arabic

Redington Egypt Limited Liability Company (LLC)
Statement of changes in Quotas' owners for the year ended December 31,2016 (In Indian Rupees)

Particulars	Share capital	Statutory Reserve	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	4,22,500	5,35,840	255,02,723	597,83,778	862,44,841
Profit for the year			524,65,016		524,65,016
Dividend paid			-		-
Other comprehensive income					-
Foreign currency adustment					-
Additions during the year		-	-	(731,72,673)	(731,72,673)
Deduction					-
Balance as at March 31, 2017	1,87,375	2,37,640.22	779,67,739	(133,88,896)	655,37,183

Translation
Originally issued in Arabic

Redington Egypt Limited Liability Company (LLC)
Statement of cash flows for the year ended December 31,2016 (In Indian Rupees)

Particulars	31-Dec-16	31-Dec-15
Profit before income tax	708,51,376	329,48,790
Adjustments for		
Depreciation	14,35,611	12,80,645
Provision - Formed	107,19,873	30,85,601
Change in Working capital		
Change in recievables	(395,74,190)	(937,34,049)
Releted party due		
Inventories	(323,87,772)	396,41,284
Change in Deposit with Other	(2,90,859)	-
Acturals and other paybles	243,10,772	(75,06,947)
Taxes paid	(76,56,436)	(47,67,730)
Net cash flow from operating activity	**274,08,375**	**(290,52,406)**
Cash flow from investing activity		
Capital expenditure	(9,70,831)	(36,99,884)
Net cash in investing activity	(9,70,831)	(36,99,884)
Net increase in cash and cash equivalents	264,37,544	(327,52,290)
Cash and Cash equivalents at the beginning of the year	3433,14,628	1723,51,710
Currency transalation asjustment	(2505,12,845)	2037,15,208
Cash and Cash equivalents at the end of the year	**1192,39,327**	**3433,14,628**

Accompanying notes from no. (1) to (20) are an integral part of these financial statements and are to be read therewith.

Redington Egypt Limited Liability Company (LLC)
Notes to the financial statements for the year ended December 31,2016

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 April 27, 2014.

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 EGP, which is the company'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 on-going 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 Equipment	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.

Redington Egypt Limited Liability Company (LLC)
Notes to the financial statements for the year ended December 31,2016(In Indian Rupees)

5. Fixed Assets (Tangible)

Description	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost					
As at 01.01.16	13,030,618	2,842,715	3,387,090	1,957,443	21,217,866
Additions	-	724,895	245,935	-	970,831
Translation adjustments	(7,251,655)	(1,929,855)	(2,002,964)	(1,089,334)	(12,273,808)
As at 31.12.16	**5,778,964**	**1,637,755**	**1,630,061**	**868,108**	**9,914,888**
Accumulated Depreciations					
As at 01.01.16	8,290,667	2,060,330	3,088,914	1,957,443	15,397,353
Additions	1,004,442	269,770	161,399	-	1,435,611
Translation adjustments	(5,095,836)	(1,276,047)	(1,796,460)	(1,089,334)	(9,257,678)
As at 31.12.16	**4,199,272**	**1,054,052**	**1,453,854**	**868,108**	**7,575,286**
Carrying Amount					
As at 01.01.16	**4,739,951**	**782,386**	**298,175**	**-**	**5,820,512**
As at 31.12.16	**1,579,691**	**583,703**	**176,207**	**-**	**2,339,602**

Notes to the financial statements for the year ended December 31,2016(In Indian Rupees)

5a. Fixed Assets Intangible

Particulars	Software	Total
Cost		
As at 01.01.16	9,152.00	9,152.00
Additions		-
Assets acquired on acquisition	-	-
Disposals	-	-
Disposal of Assets of EA		-
Translation adjustment		
As at 31.12.16	**9,152.00**	**9,152.00**
Accumulated Depreciation		
As at 01.01.16	9,152.00	9,152.00
Additions		-
Disposals	-	-
Translation adjustment		
As at 31.12.16	**9,152.00**	**9,152.00**
Check	-	-
Carrying Amount		
As at 01.01.16	**-**	**-**
As at 31.12.16	**-**	**-**

5b. Non-Current Financial Assets

Particulars	31-Dec-16	31-Dec-15
Non-Current Investments	7,98,105	14,58,478
Total	**7,98,105**	**14,58,478**

6. <u>Inventory</u>

Particulars	31-Dec-16	31-Dec-15
(a) Trading Stocks	964,47,807	1794,89,771
Total	**96447807**	**1794,89,771**

7. <u>Trade Receivable</u>

Particulars	31-Dec-16	31-Dec-15
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	1939,46,215	3936,18,999
Less:Allowance for doubtful debts	(4,52,061)	(10,19,324)
(b) Other Trade receivables		-
Considered good	17,72,241	12,81,653.75
Less: Provision for doubtful trade receivables	(11,03,819)	-
Total Trade and other receivable	**1941,62,577**	**3938,81,329**

8. **Cash and Cash Equivalent.**

Particulars	31-Dec-16	31-Dec-15
(a) Cash on hand	261,73,080	396,36,204
(b) Balances with banks		-
(i) In current accounts	930,66,247	3036,78,424
Total	**1192,39,327**	**3433,14,628**

8a. Other Current Assets

Particulars	31-Dec-16	31-Dec-15
Advance income tax (net off provisions)	7,88,054	10,03,302
Withholding Tax (Debit)	47,27,393	106,59,498
Total	**55,15,447**	**116,62,800**

Redington Egypt Limited Liability Company (LLC)
Notes to the financial statements for the year ended December 31,2016(In Indian Rupees)

9. Due to Related parties

The company made some commercial transactions with Redington Gulf FZE (Dubai-UAE) - owned 99% of the company's quotas- in accordance with the conditions that have been approved by the company management. These transactions that have been made during the year represents the collection process undertaken by the company for Redington Gulf FZE and in the value of royalties paid by the company to Redington Gulf FZE that resulted in the following balances:

Particulars	31-Dec-16	31-Dec-15
Redington Gulf FZE (Dubai-UAE)	3134,44,636	8122,21,723
Total	**3134,44,636**	**8122,21,723**

10.Provision (Current)

Particulars	31-Dec-16	31-Dec-15
Provision for warranty	59,96,000	34,36,700
Total	**59,96,000**	**34,36,700**

11.Trade Payables and Other Payables

Trade and other payables		
Particulars	**31-Dec-16**	**31-Dec-15**
(a) Trade Payables	62,31,478	-
Due to related parties	3134,44,636	8122,21,723
Total Trade Payables	**3196,76,114**	**8122,21,723**

11a. Other Current Liabilities

Particulars	31-Dec-16	31-Dec-15
Creditors for other liabilities	86,72,210	102,51,548
Statutory liabilities	140,09,684	82,20,625
Other Liabilities	45,55,487	151,35,412
Total	**272,37,381**	**336,07,585**

Redington Egypt Limited Liability Company (LLC)
Notes to the financial statements for the year ended December 31,2016(In Indian Rupees)

12. Legal 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. Revenue

Particulars	31-Dec-16	31-Dec-15
Sales	33067,80,718	28408,63,784
Service Income	79,45,796	48,17,475
Total	**33147,26,514**	**28456,81,259**

13a. Other Income

Particulars	31-Dec-16	31-Dec-15
Exchange gain/(Loss) Net	-	96,970
Total	**-**	**96,970**

14. Cost of sales

Particular	31-Dec-16	31-Dec-15
Opening stock	212,41,393	259,94,093
Purchases	4450,19,558	3230,41,895
Closing stock	257,36,573	212,41,393
Cogs	4405,24,378	3277,94,595

15. Employee Benefit Expenses

Particulars	31-Dec-16	31-Dec-15
Salaries and Bonus	334,94,957	339,00,158
Total	**334,94,957**	**339,00,158**

Redington Egypt Limited Liability Company (LLC)

Notes to the financial statements for the year ended December 31,2016(In Indian Rupees)

16.**Other Expenses**

Particulars	31-Dec-16	31-Dec-15
Advertisement Expenses	1,80,745	
Rent	61,85,010	106,28,230
Repairs and Maintenance	1,79,642	12,88,761
Utilities	2,05,242	8,98,203
Insurance	7,49,954	9,80,060
Communication	17,75,370	25,41,773
Sales promotion expense	58,32,988	38,09,515
Travel	9,20,021	14,04,189
Professional Charges	12,96,900	15,61,772
Provision for Doubtful receivables	-	10,06,150
Provision For Contingent Claim	85,97,654	42,33,795
Exchange Gain/(Loss) Net	9,49,158	-
Bank Charges	21,27,492	11,03,287
Outsourced Resource Cost	6,39,638	91,59,891
Vehicle Expenses	1,22,680	5,38,640
Postage and Stationary	2,42,960	9,99,335
Miscellaneous Expenses	28,38,756	34,28,399
Total	**349,66,427**	**435,81,999**

Redington Egypt Limited Liability Company (LLC)

Notes to the financial statements for the year ended December 31,2016(In Indian Rupees)

18. Earning per Quota

	31-Dec-13	31-Dec-12
Net profit	851 681	1 148 220
Average Quotes	500	500
Earnings per Quota	**1 703**	**2 296**

19. Tax position:

19-1 Income tax

- 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 up to date on the company.

19-2 Salary tax

- The company pay its tax liability on monthly basis, in the light of previous tax law of Egypt.
- The company's books has inspected until year 2008 and paid tax differences.
- The company's books has not inspected for the next periods until year 2016.

19-3 Stamp tax

- The company's books has inspected until year 2006 and paid tax differences. There are no tax claims till year 2016 on the company

19-4 Sales tax

- The company's books has inspected until year 2008 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.

19-5 Withholding tax

- The Company present its tax forms on the due dates to the tax authority and there are no tax claims up to date on the company.

20. Translation

- These financial statements are a translation into English from original Arabic statements; the original Arabic statements are the official financial statement

REDINGTON NIGERIA LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

STATEMENT OF DIRECTORS RESPONSIBILITIES
FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

The Directors of Redington Nigeria Limited are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 March 2017, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IND AS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act,

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IND ASs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IND AS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IND AS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

Going Concern:
The Directors have assesed Redington Nigeria Ltd ability to continue as a Going Concern and have no reason to believe that the Company will not remain a going concern in the year ahead also there is comfort through the confirmation from parent company Redington Gulf FZE. in wirting that they will continue to give support to Redington Nigeria Limited.

The financial statements of the Company for the year ended 31 March 2017 were approved by directors on 2017

On behalf of the Directors of the Company

____________________	____________________
Raj Shankar	Sriram Ganeshan

REPORT OF INDEPENDENT AUDITORS TO THE MEMBERS OF REDINGTON NIGERIA LIMITED

We have audited the accompanying financial statements of Redington Nigeria Limited, set out on pages 2 to 36 which comprise the statement of financial position as at 31 March 2017; the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of value added for the years then ended 31 March 2017 and a summary of significant accounting 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, the Financial Reporting Council of Nigeria Act No. 6, 2011, 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 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 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 31st March 2017, and of its financial performance and cash flows for the years ended 31st March 2017 in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004, the Financial Reporting Council of Nigeria Act No. 6, 2011, and the International Financial Reporting Standards.

OFO JOSEPH ONOTHOME FCA
FRC/2013/ICAN/00000006021
Chartered Accountants
Lagos, Nigeria
May-2017

Statement of Financial Position

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	10	212,71,138	336,68,897
Other Intangible assets(Software)	11	24,769	1,05,624
Total Non Current Assets		**212,95,906**	**337,74,521**
Current Assets			
Inventories	12	283,17,204	5786,70,439
Financial assets			
(i) Trade receivables	13	262,77,851	2694,26,150
(ii) Cash and bank balances	15	3127,99,875	10834,53,112
Other Current Assets	14	117,84,281	141,31,678
Total Current assets		**3791,79,211**	**19456,81,379**
Total Assets		**4004,75,117**	**19794,55,901**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		21,17,000	33,32,000
Other Equity			
Other reserves		141,17,386	221,43,965
Retained earnings		(1873,20,054)	(368,06,097)
Equity attributable to the owners of the Company		**(1710,85,668)**	**(113,30,133)**
Non-Controlling interests		-	-
Total Equity		**(1710,85,668)**	**(113,30,133)**
Non-Current Liabilities			
Deferred Tax Liabilities (Net)		19,69,233	34,53,951
Provisions	19.2.3	40,67,180	105,71,770
Total Non-current Liabilities		**60,36,414**	**140,25,721**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	20	3923,54,830	18745,37,218
Current tax liabilities (net payables)		2,23,767	118,81,912
Other Current Liablities	20a	1729,45,775	903,41,182
Total Current Liabilities		**5655,24,372**	**19767,60,313**
Total Equity and Liabilities		**4004,75,117**	**19794,55,901**

The financial statements were approved by the board of directors and authorised for issue on …………………..2017. They were signed on its behalf by:

RAJ SHANKAR **SRIRAM GANESHAN**

The accompanying notes on pages 6 to 34 from an itegral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations	5	6064,89,234	23998,70,562
(b)Other gain / (losses)	5a	3,48,076	3,23,585
(c) Total Revenue(a+b)		**6068,37,310**	**24001,94,146**
Purchase of traded goods		(2542,98,992)	27623,00,188
Changes in inventories		5503,53,236	(5786,29,531)
Employee Benefits	6	645,09,885	1006,87,760
Finance Costs	7	739	15,127
Depreciation & Amortisation		93,90,664	65,13,127
Other Expenses	8	4311,24,948	958,36,128
Total Expenses(d)		**8010,80,478**	**23867,22,799**
Profit before Corporate social responsibility expenditure and Tax		(1942,43,168)	134,71,347
Profit before exceptional items and tax		(1942,43,168)	134,71,347
e.Profit before tax (c-d)		**(1942,43,168)**	**134,71,347**
Income Tax expense:			
Current tax		-	(65,49,958)
Prior year tax provisions written back		1,724	-
h.Profit for the Year (e-f-g)		**(1942,41,444)**	**69,21,389**
Other Comprehensive income			
(j)Items that will not be subsequently classified to Profit and loss			
Remeasurement of Defined benefit obligation	19.2.2	35,39,145	11,78,913
k.Total Other comprehensive income(i+j)		35,39,145	11,78,913
Profit for the year attributable to the :-			
Shareholders of the Company		(1942,41,444)	69,21,389
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		(1907,02,299)	81,00,303

The accompanying notes on pages 6 to 34 from an itegral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Particulars	Share capital	Other Reserve	Acutarial loss	Retained earnings	Foreign currency transalati	Total Equity
As at April 2016	33,32,000	5,73,104	146,49,471	69,21,389	(368,06,097)	(113,30,133)
Profit for the year				(1942,41,444)		(1942,41,444)
Dividend paid				-		-
Other comprehensive income						-
Foreign currency adustment						-
Additions during the year			(23,00,375)	-	367,86,283	344,85,908
Deduction						-
Balance as at March 31, 2017	21,17,000	3,64,124	123,49,096	(1873,20,054)	(19,814)	(1710,85,668)

STATEMENT OF CASHFLOW

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	(1942,43,168)	134,71,347
Adjustments for		
Depreciation on equipment	93,41,401	64,47,358
Amortisation on intangible asset	49,268	65,769
Change in Working capital		
Inventories	3948,67,252	(5319,79,685)
Trade and other receivables	1692,28,118	(2407,38,733)
Other Assets	(38,80,570)	(22,63,119)
Other Liability	(2,62,104)	23,89,067
Trade and other payables	(7948,61,299)	18300,54,496
Cash Generated from Operations	**(4197,61,103)**	**10774,46,501**
Income tax paid	1,724	(65,49,958)
Net Cash generated from operating activities	(4197,59,379)	10708,96,543
Cash flow from investing activity		
Purchase of property and equipment	(32,23,585)	(298,35,225)
Net cash in investing activity	(32,23,585)	(298,35,225)
Net increase in cash and cash equivalents	(4229,82,964)	10410,61,318
Cash and Cash equivalents at the beginning of the year	10834,53,112	20,981
Currency transalation asjustment	(3476,70,273)	423,70,813
Cash and Cash equivalents at the end of the year	**3127,99,875**	**10834,53,112**

NOTES TO THE FINANCIAL STATEMENTS

1. Description of business

Redington Nigeria Limited was incorporated in Nigeria in October 2002 as a private limited liability company. Redington Gulf Fze, Dubai holds 99% of its 10,000,000 paid-up shares while 1% is held by Mr. R Srinivasan, the Executive Vice Chairman of Redington India Limited. Redington Gulf Fze, Dubai is the parent company of Redington Nigeria Limited, while the ultimate controlling party is Redington India Limited.

Registered Address:Akron House, 2nd Floor , 94 Allen Avenue, Ikeja , Lagos,Nigeria.
The Company was registered to engage in the business of sales and services of computer systems and mobile telephones. It commenced commercial operations in April 2004.

1.1 Composition of financial statements

The financial statements are drawn up in Naira, the functional currency of Redington Nigeria Limited in accordance with International Financial Reporting Standards (IND AS) and comprise:

- **Statement of profit or loss and other comprehensive income**
- **Statement of financial position**
- **Statement of changes in equity**
- **Statement of cash flows**
- **Notes to the financial statements.**

1.2 Financial period

These financial statements cover the reporting year ended 31 March 2017, the comparative amounts for the financial year ended 31 March 2016.

2. Adoption of new and revised IND AS standards

2.1 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 IND ASs and IFRIC Interpretations listed below. However, the Company has not applied any in the preparation of these financial statements.

The full impact of these IND ASs 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.

NOTES TO THE FINANCIAL STATEMENTS

2.1 Accounting standards and interpretations issued but not yet effective (Cont'd)

Pronouncement	Nature of change
	Financial Instruments 5
IND AS 109	Revenue from Contracts with Customers 4
IND AS 115	Accounting for Acquisitions of Interests in Joint Operations 3
Amendments to IND AS 111	Clarification of Acceptable Methods of Depreciation
Amendments to IND AS 16 and IND AS 38	and Amortisation 3
Amendments to IND AS 16 and IND AS 41	Agriculture: Bearer Plants 3
Amendments to IND AS 19	Defined Benefit Plans: Employee Contributions 1
Amendments to IND ASs	Annual Improvements to IND ASs 2010-2012 Cycle 2
Amendments to IND ASs	Annual Improvements to IND ASs 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.

IND AS 109 Financial Instruments

IND AS 109 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IND AS 109 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 IND AS 109 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 IND AS 109:

All recognised financial assets that are within the scope of IND AS 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 IND AS 109, 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.

NOTES TO THE FINANCIAL STATEMENTS

2.1 Accounting standards and interpretations issued but not yet effective (Cont'd)

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IND AS 109 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 IND AS 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, IND AS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under IND AS 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 IND AS 39. Under IND AS 109, 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 IND AS 109 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 IND AS 109 until the Entity undertakes a detailed review.

IND AS 115 Revenue from Contracts with Customers

In May 2014, IND AS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 Revenue, IND AS 11 Construction Contracts and the related Interpretations when it becomes effective

The core principle of IND AS 115 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:

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 IND AS 115, an entity recognises revenue 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 IND AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 115.

The directors of the Company do not anticipate that the application of IND AS 115 will have a material impact on the Entity's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

2.1 Accounting standards and interpretations issued but not yet effective (Cont'd)

Amendments to IND AS 111 Accounting for Acquisitions of Interests in Joint Operations

The amendments to IND AS 111 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IND AS 103 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IND AS 103 and other standards (e.g. IND AS 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 IND AS 103 and other standards for business combinations.

The amendments to IND AS 111 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 IND AS 111 will have a material impact on the Entity's financial statements.

Amendments to IND AS 16 and IND AS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IND AS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IND AS 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 of 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 IND AS 16 and IND AS 38 will have a material impact on the Entity's financial statements.

Amendments to IND AS 16 and IND AS 41 Agriculture: Bearer Plants

The amendments to IND AS 16 and IND AS 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 IND AS 16, instead of IND AS 41. The produce growing on bearer plants continues to be accounted for in accordance with IND AS 41.

The directors of the Company do not anticipate that the application of these amendments to IND AS 16 and IND AS 41 will have a material impact on the Entity's financial statements as the Entity is not engaged in agricultural activities

Amendments to IND AS 19 Defined Benefit Plans: Employee Contributions

The amendments to IND AS 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 IND AS 19 will have a significant impact on the Entity's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

2.1 Accounting standards and interpretations issued but not yet effective (Cont'd)

Annual Improvements to IND ASs 2010-2012 Cycle
The Annual Improvements to IND ASs 2010-2012 Cycle include a number of amendments to various IND ASs, which are summarised below.

The amendments to IND AS 102 (i) 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 IND AS 102 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to IND AS 103 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 IND AS 109 or IND AS 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 IND AS 103 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to IND AS 108 (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 IND AS 113 clarify that the issue of IND AS 113 and consequential amendments to IND AS 39 and IND AS 109 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 IND AS 16 and IND AS 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 IND AS 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 IND ASs 2011-2013 Cycle
The Annual Improvements to IND ASs 2011-2013 Cycle include a number of amendments to various IND ASs, which are summarised below.

The amendments to IND AS 103 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.

NOTES TO THE FINANCIAL STATEMENTS

2.1 Accounting standards and interpretations issued but not yet effective (Cont'd)

The amendments to IND AS 113 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, IND AS 39 or IND AS 109, even if those contracts do not meet the definitions of financial assets or financial liabilities within IND AS 32.

The amendments to IND AS 40 clarify that IND AS 40 and IND AS 103 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 IND AS 40; and
(b) the transaction meets the definition of a business combination under IND AS 103.

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. Significant accounting policies

3.1 Statement of Compliance

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

3.2 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 the assets. The principal accounting policies

Judgements made by management in the application of IND ASs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4.

3.3 Revenue Recongnition

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

Revenue represents value of the goods and services rendered to third party; net of discounts and rebates. Discounts and rebates are offset against revenue when it is probable that the criteria for the discount or rebate will be met and the amount can be reliably estimated.

3.3.1 Revenue from 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.**

3.3.2 Revenue from 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:

- **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;**
- **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**
- **revenue from time and material contracts is recognized at the contractual rates as labour hours and direct expenses are incurred.**

NOTES TO THE FINANCIAL STATEMENTS

3.3 Revenue Recongnition (Contd)

3.3.3 Interest Income

Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

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.

3.4 Foreign currency translation

The financial statements of Redington Nigeria Limited are presented in Naira, which is the Company's functional currency. In preparing 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.

Monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at each reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Any resulting exchange differences are included in administrative expenses in the income statement, except for differences on available-for-sale non-monetary financial assets, which are included in the available-for-sale reserve in other comprehensive income. Non-monetary items of historic cost, that are denominated in foreign currency, are translated at the date of the original transaction, and are not re-translated.

Exchange differences arising on the settlement of monetary items are included in the income statement for the

3.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current taxation

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 items that are never taxable or deductible. The Company'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 taxation

Deferred tax represents taxation at the current rate of corporate income tax on the difference between the net book value of qualifying fixed assets and their corresponding tax written down values; and is calculated using the

It is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally 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 utilised.

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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

3.6 Employee Benefits

3.6.1 Defined Contribution Plans

The Company operates a defined contribution staff pension scheme for its employees in accordance with the New Pension Reform Act 2014. The employer contribute 10% and employees contribute 8% each of employees' basic salary, housing and transport allowances. Payments to defined contribution retirement benefit plans by the employer are recognized as an expense in the period in which employees have rendered services entitling them to the contributions.

3.6.2 Retirement benefit costs and termination benefits

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurements comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the teturn on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in th eperiod of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net

Defined benefits costs are categorised as follows:

a) Service cost (including current service cost, past service cost and gains and losses on curtailments and settlements).

b) Net interest expense or income.

3.6.3 Other employee benefits

Other short and long-term employee benefits, are recognized as an expense over the period in which they

3.7 Inventories

Inventories include: finished goods (comprising IT, Telecomunication and Service inventory items). They are measured at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for inventories less estimated cost to make the sale.
Inventory values are adjusted for obsolete, slow-moving or damaged items.

Costs incurred in bringing each product to its present location and condition is based on the Weighted Average Method. Costs include suppliers' invoice price and where appropriate, freight and all other costs incurred in bringing each inventory item to its present location.

Goods in transit are recognized as inventories when significant risks and rewards attributable to the goods have been passed to the Company.

3.8 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of self-constructed assets includes the costs of materials and direct labour. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized 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

Depreciation on other assets is charged to the income statement using the straight-line method so as to write off the cost less their residual values over their estimated useful lives on the following bases:

	Useful Life (years)
Furniture and equipments	5
Motor vehicles	3
Computer equipments	3
Network and warehouse equipment	3

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset 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.

NOTES TO THE FINANCIAL STATEMENTS

3.9 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) 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 provisions 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. 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 (when the effect of the time value of money is material).

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.

3.10 Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate independent cash flows from other assets, 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 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 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 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.

NOTES TO THE FINANCIAL STATEMENTS

3.11 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 are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition, except for transaction costs relating to financial assets or financial liabilities at fair value through profit or loss, which are recognized immediately in profit or loss.

3.11.1 Financial assets

Financial assets are classified into: (a) loans and receivables, (b) held-to-maturity investments (c) Available-for-sale and (d) financial assets at fair value through profit or loss. Financial assets are subsequently measured based on their nature and purpose as determined at initial recognition. The Company does not have financial assets classified as held-to-maturity, available for sale and at fair value through profit or loss.

- **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 and cash and bank balances] are subsequently measured at amortised cost using the effective interest method, less any impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interst Rate (EIR). The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance costs. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash in hand and highly liquid short-term investments that are easily convertible into known amounts of cash and are subject to insignificant risks of changes in value.

- **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.

Loans and receivables

For financial assets carried at amortised cost, the amount of the impairment loss recognized 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. If, in a subsequent period, the amount of the impairment loss decreases as a result of an event occurring after the impairment was recognized, the previously recognized 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

3.11.1 Financial assets (contd)

- **Derecognition of financial assets**

  Financial assets are derecognized only when the contractual rights to the cash flows from the asset expire, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. 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 recognizes 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 recognized in other comprehensive income and accumulated in equity is recognized 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 recognize under continuing involvement, and the part it no longer recognizes 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 recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

3.11.2 Financial Liabilities

Financial liabilities are classified as 'other financial liabilities'.

- **Other financial liabilities**

  Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

  The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and 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 liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

- **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.

NOTES TO THE FINANCIAL STATEMENTS

4 **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, described in note 3, the directors are 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 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.

4.1 Critical judgements in applying accounting policies

The directors have not made any critical judgements in the process of applying the Company's accounting policies that have significant effect on the amounts recognized in the financial statements.

4.2 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.

4.2.1 Estimated useful lives of property, plant and equipment

Management reviews the estimated useful lives of property, plant and equipment at the end of each reporting period and reflects the changes on a propspective basis.

4.2.2 Provisions for employee benefits

The actuarial techniques used to assess the value of the defined benefits plans involve financial assumptions (discount rate, rate of return on assets, medical costs trend rate) and dermographic assumptions (salary increase rate, employee turnover rate, etc). The Company uses the assistance of an external independent actuary in the assessment of these assumptions. For more details refer to Note 21.2.

5. Revenue

The following is an analysis of the company's revenue for the year from Continuing Operation

Particulars	31-Mar-17	31-Mar-16
Sales	60,64,89,234	2,39,98,70,562
Total	**60,64,89,234**	**2,39,98,70,562**

5a Other Income

Particulars	31-Mar-17	31-Mar-16
Interest from dealers	3,48,076	51,300
Other Non operating income	-	2,72,285
Total	**3,48,076**	**3,23,585**

6. Employee Benefits

Particulars	31-Mar-17	31-Mar-16
Salaries	6,45,09,885	10,06,87,760
Total	**6,45,09,885**	**10,06,87,760**

NOTES TO THE FINANCIAL STATEMENTS

7. Finance Cost

Particulars	31-Mar-17	31-Mar-16
Interest Expenses	739	15,127
Total	**739**	**15,127**

8. Other

Particulars	31-Mar-17	31-Mar-16
Rent	91,62,066	1,54,69,910
Repairs and Maintenance	80,89,755	1,36,91,181
Communication	72,84,721	57,80,787
Travelling Expenses	1,03,59,271	59,28,438
Professional Charges	20,13,571	30,10,258
Provision for Doubtful receivables	(78,10,900)	50,49,104
Auditor's Remuneration(including remuner	3,69,508	42,75,000
Exchange Loss Net	40,53,80,484	2,84,40,588
Bank Charges	3,47,584	37,46,544
Miscellaneous Expenses	(40,71,113)	1,04,44,318
Total	**43,11,24,948**	**9,58,36,128**

9. Taxation

9.1 Income tax recognized in profit or loss
Current tax
Current tax expense in respect of the current year:

Particulars	31-Mar-17	31-Mar-16
Income tax	2,16,889	33,53,902
Education tax	43,466	8,06,988
Total	2,60,355	41,60,890
Deferred Tax	(2,62,104)	23,89,067
Total Tax Liability	(1,749)	65,49,958

NOTES TO THE FINANCIAL STATEMENTS

9.1 Corporation tax is calculated at 30 per cent (2016: 30 per cent) of the estimated taxable profit for the year. The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21, LFN, 2004 as amended.

The charge for education tax of 2 per cent (2016: 2 per cent) of the estimated assessable profit for the year; is based on the provisions of the Education Tax Act, CAP E4, LFN, 2004.

Reconciliation of income tax expense for the year to the accounting profit as per profit or loss:

Particular	31-Mar-17	31-Mar-16
Profit before tax on continuing operations	(1942,43,050)	134,71,512
Tax at the statutory corporation tax rate of 30% and 2% (2016: 30 % and 2%)	(621,57,744)	43,10,844
Effect of:		
Exempted income from taxation	-	-
Non-deductible expenses in determining taxable profit	-	(1,49,954)
Previously unrecognized and unused tax losses and deductible	-	-
Effect on deferred tax balances due to the change in income tax rate	-	-
Other (describe)	624,18,099	-
	2,60,355	41,60,890
Adjustments in the current year for current tax of prior years	-	-
Total income tax expense recognized in profit or loss	2,60,355	41,60,890

9.2 Current tax liabilities

Particular	31-Mar-17	31-Mar-16
At 1 April	118,81,579	75,22,184
Charged for the year net of adjustments	2,60,380	41,60,890
Payments during the year	(15,10,547)	(3,12,404)
Adjustment during the year	(72,73,636)	
CTA	(31,34,008)	5,10,908
Closing Balance	2,23,767	118,81,579

9.3 Deferred taxation

The following is the analysis of deferred tax assets/(liabilities) presented in the financial statement:

Particular	31-Mar-17	31-Mar-16
Deferred tax liability	19,69,233	34,53,951
Total	19,69,233	34,53,951

NOTES TO THE FINANCIAL STATEMENTS

9.3 Deferred taxation (Con'd)

Particular	31-Mar-17	31-Mar-16
Deferred tax assets/(liabilities) in relation to:		
Property, plant & equipment	2,25,249	(24,20,698)
Total	2,25,249	(24,20,698)

9.3.1 Deferred taxation

Particular	31-Mar-17	31-Mar-16
Deductible temporary differences, unused tax losses and unused tax	-	-
Tax losses (revenue in nature)	-	-
Unused tax credits	-	-
Deductible temporary differences	-	-
Unrecognised deferred tax asset	-	-

The tax rate used for the 2017 and 2016 on unrecognised deductible temporary differences shown above is @ 30% .

10 Property, plant and equipment

Description	Furniture & Fixtures	Computers	Vehicles	Networking Equipment	Total
Cost					
As at 01.04.16	513,25,462	223,73,047	155,61,306	29,93,972	922,53,787
Additions	27,95,942	4,27,644	-	-	32,23,585
Assets of Subsidiaries acquired	55,71,191	3,73,203	28,08,258		87,52,652
Disposal	-	-	44,40,990	3,21,573	47,62,562
Translation adjustments	(198,92,147)	(82,70,849)	(54,44,782)	(10,46,522)	(346,54,300)
As at 31.03.17	**398,00,447**	**149,03,045**	**84,83,793**	**16,25,877**	**648,13,162**
Accumulated Depreciations					
As at 01.04.16	352,62,556	87,87,817	121,77,794	23,56,724	585,84,890
Additions	38,81,183	39,16,782	11,83,777	3,59,654	93,41,396
Assets of subsidiaries acquired	14,24,942	327383,81,538	1022671,65,969		2,379
Disposals	-	-	-		-
Disposal of Assets of EA					-
Translation adjustments	(136,04,457)	(327418,55,382)	(1022747,10,663)	(11,86,210)	(243,86,641)
As at 31.03.17	**269,64,225**	**92,30,755**	**58,16,877**	**15,30,168**	**435,42,024**
Carrying Amount					
As at 01.04.16	**160,62,906**	**135,85,230**	**33,83,513**	**6,37,248**	**336,68,897**
As at 31.03.17	**128,36,222**	**56,72,290**	**26,66,916**	**95,710**	**212,71,138**

NOTES TO THE FINANCIAL STATEMENTS

11 Intangible Asset

Particulars	Software	Total
Cost		
As at 01.04.16	1,99,920	1,99,920
Additions	-	-
Assets acquired on acquisition	-	-
Disposals	-	-
Translation adjustment	(72,900)	(72,900)
As at 31.03.17	**1,27,020**	**1,27,020**
Accumulated Depreciation		
As at 01.04.16	94,296	94,296
Additions	49,268	49,268
Disposals	-	-
Translation adjustment	(41,312)	(41,312)
As at 31.03.17	**1,02,251**	**1,02,251**
Carrying Amount		
As at 01.04.16	**1,05,624**	**1,05,624**
As at 31.03.17	**24,769**	**24,769**

11.1 Impairment losses recognized in the year
There were no impairment losses recognized during the year.

11.2 Contractual commitments
At 31 March 2017, the Company had no contractual commitments for the acquisition of property, plant and equipment.

12 Inventories

Particulars	31-Mar-17	31-Mar-16
Trading Stocks	283,17,204	5786,70,439
Total	**28317204**	**5786,70,439**

12.1 The cost of inventories recognized as an expense during the year in respect of operations was 1201M (2016: N 6640 M).

12.2 There was no write off of inventory during the year ended 31 March 2017 (2016:N 0.72m)

NOTES TO THE FINANCIAL STATEMENTS

13 Trade and other receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	21,90,098	2424,05,629
Less:Allowance for doubtful debts	-	(105,65,106)
(b) Receivables from releted parties	240,87,753	375,85,626
Total Trade and other receivable	**262,77,851**	**2694,26,150**

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The average credit period taken on sales of goods is 30 days. No interest is charged on the overdue receivables. The Company has recognized allowances for doubtful debts against all receivables as follows: 0% (5%) for 1-15 days , 0%(25%) for 16-30 days ,0%(50%) for 31-75 days,0%(100%) for 76-90 days,25%(100%) for 90-120 days,50%(100%) for 121-180 days and 100%(100% for more than 180 days . Allowances against doubtful debts are recognized against trade receivables outstanding for more than 180 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the reporting date but against which the Company has not recognized an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty. The average age of these receivables is 30 days (2016: 30 days).

13.1 Trade receivables

Age of receivables not past due

Particulars	31-Mar-17	31-Mar-16
1-3 days	21,90,037	1571,56,112
16-30 days	-	244,07,900
Total	**21,90,037**	**1815,64,012**

Age of receivables past due but not impaired

Particulars	31-Mar-17	31-Mar-16
31-60 days	-	122,02,494
61-90 days	-	216,22,621
91+ days	-	157,94,481
Total	-	**496,19,596**

NOTES TO THE FINANCIAL STATEMENTS

13.1 Trade and other receivables (contd)

Movement in the allowance for doubtful debts

Particulars	31-Mar-17	31-Mar-16
Balance at the beginning of the year	10,565	5,672
(Reversal of allowance)/allowance during the year	(78,10,900)	50,49,104
Written-off during the year	-	(5,61,998)
CTA	78,00,335	55,10,330
Balance at the end of the year	-	105,65,106

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 is large and unrelated.

14 Other assets

Particulars	31-Mar-17	31-Mar-16
Advances to Employees	5,49,785	16,98,320
Prepayments	51,94,483	79,68,811
Others	60,40,013	44,64,547
Total	**117,84,281**	**141,31,678**

15 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks net of outstanding bank overdraft. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	-	2,01,586
(b) Funds in Transit	1776,94,417	-
(i) In current accounts	1351,05,458	10832,51,526
Total	**3127,99,875**	**10834,53,112**

NOTES TO THE FINANCIAL STATEMENTS

16 Share capital

	2017	2016
	N'000	N'000
Authorised:		
20,000,000 ordinary shares of =N=1 each	20,000	20,000
Issued and fully paid:		
10,000,000 ordinary shares of =N=1 each	10,000	10,000

The Company has one class of ordinary shares which carry no right to fixed

17 Other reserves

	2017	2016
	N'000	N'000
Foreign currency conversion surplus	1,720	1,720

This represents surplus on the conversion of foreign currency paid by shareholders as share capital.

18 Retained earnings

	2017	2016
	N'000	N'000
At 1 April	(89,690)	(110,738)
Profit attributable to owners of the Company	(788,514)	21,048
At 31 March	(878,204)	(89,690)

19 Retirement benefits plans

19.1 Defined Contribution Plan

The Company operates a contributory pension scheme for the benefit of its staff with the Company contributing 10% and employees 8% each of the employees' relevant emoluments as prescribed by the Pension Reform Act, 2014. Payments to this plan by the employer is recognized as an expense in the period in which employees have rendered services entitling them to the contributions.

The total expense recognized in the income statement of N9.611m (2016: N10.85m) represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at 31 March 2017, contributions of N0.853m (2016: N1.535m) due in respect of the 2017 (2016) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period.

19.2 Defined Benefit Plan

The Company has an unfunded defined benefit plan for qualifying employees. Under the plan employees are entitled to post employment gratuity of a percentage of current salary on retirement depending on the number of years worked with the Company.

NOTES TO THE FINANCIAL STATEMENTS

19.2 Defined Benefit Plan (Cont'd)
The plan is exposed to following risk:

Longevity risk	calculated by reference to the best estimate of the employee turnover rate and expected service period.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants considering inflation.

Sensitivity Analysis

for the Year Ended 31 March 2017

Resultant Figures due to change in Discount and Salary rate		2017 N'000		
a. Effect of 1% increase or decrease in Salary Increase rate				
Assumptions	Discount Rate	17.0%	16.0%	15.0%
	Salary Increase	14.0%	13.0%	12.0%
Defined Benefit Obligation		22,063	19,212	16,800
Year 2017 Service Cost		12,290	14,134	16,611
b. Effect of 1% increase or decrease in Discount rate				
Assumptions	Discount Rate	17.0%	16.0%	15.0%
	Salary Increase	14.0%	13.0%	12.0%
		16,949	19,212	16,800
Year 2017 Service Cost		16,367	14,134	12,290

No other post-retirement benefits are provided to these employees.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	Valuation at 2017 %	2016 %
Discount rate(s)	16	13
Expected rate(s) of salary increase	13	11
Expected employee turnover rate	0	0

NOTES TO THE FINANCIAL STATEMENTS

19.2 Defined Benefit Plan (cont'd)

19.2.1 Amounts recognized in profit/(loss) in respect of these defined benefit plans are as follows:

Particular	31-Mar-17	31-Mar-16
Current service cost	34,81,748	29,34,294
Interest on obligation	9,97,178	17,59,327
Total	44,78,926	46,93,621

The expense for the year is included in the employee benefits expense in administration

19.2.2 Amount recognized in "other comprehensive Income'

Particular	31-Mar-17	31-Mar-16
Actuarial (gains)/losses on liability during the year:		
Due to changes in assumptions	(5,91,705)	(9,46,419)
Due to changes in experience	(29,47,440)	(2,32,494)
Total	(35,39,145)	(11,78,913)

19.2.3 Movements in the present value of the defined benefit obligation in the current year were as follows:

Particuar	31-Mar-17	31-Mar-16
Opening defined benefit obligation	105,71,770	84,03,896
Current service cost	34,81,748	29,34,294
Interest cost	9,97,178	17,59,327
Remeasurement (gain) / loss	-	-
Curtailment	(9,63,922)	-
Plan amendement	(24,84,816)	-
Due to changes in assumptions	(5,91,705)	(9,48,063)
Due to changes in experience	(29,47,440)	(2,32,494)
Benefits paid	(5,74,215)	(18,80,671)
CTA	(34,21,417)	5,35,481
Closing defined benefit obligation	40,67,180	105,71,770

19.2.4 Funded status of defined benefit plan

The defined benefit obligation is unfunded.

NOTES TO THE FINANCIAL STATEMENTS

20 Trade and other payables

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	1464,55,330	269,77,205
Due to related parties	2458,99,500	18475,60,014
Total Trade Payables	**392354830**	**1874537218**

Trade payables and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 60 days. The Company has financial risk management policies in place as well as efficient and effective treasury management policies to ensure that all payables are paid within the pre-agreed credit terms.

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

20a. Other Liability

Particulars	31-Mar-17	31-Mar-16
Statutory liabilities	(7,40,315)	-
Other Liabilities	49,14,827	711,48,862
Total	**1729,45,775**	**903,41,182**

21 Directors and Employees

21.1 Chairman and Directors' emoluments and pensions

21.1.1 The number of Directors (excluding the Chairman) that served during the years are:

	2017 Number	2016 Number
Directors with emoluments	2	3

21.1.2 Emoluments

The Directors waived their emoluments during the year (2016-Nil).

21.2 Employees

The average number of employees employed during the year:

	2017 Number	2016 Number
Managerial staff	14	26
Senior staff	11	38
Junior staff	32	37
	57	101

The aggregate payroll costs:

Particulars	31-Mar-17	31-Mar-16
Salaries	645,09,885	1006,87,760
Total	**645,09,885**	**1006,87,760**

NOTES TO THE FINANCIAL STATEMENTS

21.2 Employees(Cont'd)

The number of employees with emoluments excluding allowances within the ranges below were:

Range (N)	Number	Number
Up to 50,000	-	-
50,001 - 100,000	8	32
100,001 and above	49	69
	57	101

22 Cash generated from operations

Reconciliation of profit after tax to net cash generated by operating activities:

	2017 N'000	2016 N'000
Profit for the year	(788,514)	21,048
Adjustments for:		
Depreciation of property, plant and equipment	37,921	19,606
Amortisation of Intangible Asset	200	200
Gain on disposal of property, plant and equipment		
Transfer of PPE	(24,266)	-
Other Comprehensive income	14,367	3,585
Operating cash flows before movements in working capital	(760,292)	44,439
(Increase)/Decrease in inventories	1,602,946	(1,617,716)
(Increase)/decrease in trade and other receivables	686,974	(732,071)
Decrease in other assets	(15,753)	(6,882)
Increase in other Liability	(1,064)	7,265
(Decrease) in trade and other payables	(3,226,704)	5,565,078
Increase in retirement benefit	(12,514)	4,964
(Decrease)/Increase in income tax payable	(34,604)	11,704
	(1,761,011)	3,276,781

23 Non-cash transactions

There were no non-cash transactions during the year ended 31 March 2017.

24 Related party disclosures

24.1 Related party relationships

Redington Gulf Fze owns 99% holdings in Redington Nigeria Limited as at 31 March 2017. The parent Company of Redington Nigeria Limited is Redington Gulf Fze and the ultimate controlling party is Redington India Limited.

Related parties

Redington India Limited
Redington Gulf Fze, Dubai
Redington Africa Distribution Limited,
Dubai Redington Middle East Limited,
Saudi Arabia Redington Ghana
RNDC Alliance West Africa Ltd,Nigeria.
Ensure Solutions Nigeria Ltd

NOTES TO THE FINANCIAL STATEMENTS

24.2 Related party transactions

Details of transactions and outstanding balances between the Company and its related parties during the year are disclosed below:

24.3 Trading transactions

The Company traded with related companies on terms similar to such transactions entered into with third parties. Analysis of transactions and the outstanding balances at year end are shown below:

Details of transactions and outstanding balances between the Company and its related parties during the year are disclosed below:

Particular	Sale of goods and Services		Purchase of goods and Services	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Related parties				
Redington Gulf Fze., Dubai	-	-	1212,36,952	26842,32,052
Total	-	-	1212,36,952	26842,32,052

Analysis of the outstanding at the reporting date:

Particular	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Redington Gulf Fze, Dubai	-	-	2426,26,618	16255,76,176
Redington Ghana	2,90,876	20,992	-	-
Ensure Solutions Nigeria Limited	619,66,284	-	-	2219,83,838
RNDC Alliance West Africa Ltd	(381,69,510)	375,64,635	32,72,882	-
Total	240,87,649	375,85,626	2458,99,500	18475,60,014

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 current or prior period for bad or doubtful debts in respect of the amounts owed by related parties.

24.4 Remuneration of key management personnel

The Directors, who are the key management personnel of the company has waived their emoluments

24.5 Loans to/(from) related parties

The Company did not give out nor obtain any loan to/from related companies during the year.

25 Financial Instruments

25.1 Capital risk management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation equity. The Company's overall strategy remains unchanged from 2016.

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital and retained earnings.

The Company is not subject to any externally imposed capital requirements.

Equity includes all capital and retained earnings of the Company that are managed as capital.

NOTES TO THE FINANCIAL STATEMENTS

25.2 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

25.3 Categories of financial instruments

Particular	31-Mar-17	31-Mar-16
Financial assets		
Loans and receivables		
Cash and bank balances	3127,99,875	10834,53,112
Trade and other receivables	268,27,683	2711,24,507
Total	**3396,27,558**	**13545,77,619**
Financial liabilities		
Financial liabilities at amortized cost	-	-
Trade and other payables	5653,00,605	19648,78,401
Total	**5653,00,605**	**19648,78,401**

25.4 Financial risk management objectives

A financial risk management framework is in place, where appropriate, to mitigate any negative impact that financial risks that may arise will have on the Company's reported results.

The Company's senior management oversees the management of risks to ensure that financial risks are identified, measured and managed in accordance with Company's policies for risk.

Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's activities. Sensitivity analysis provide the appropriate information to monitor the net underlying financial risks.

The Board of Directors reviews and agrees policies for managing each of these risks which

The Company does not trade in financial instruments, nor does it take on speculative or open positions through the use of derivatives.

25.5 Market risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the Company that are affected by market risk are principally the non-derivative financial instruments which include trade and other receivables; cash and cash equivalents; trade and other payables; and short and long term loans).

25.5.1 Interest rate risks

Redington is exposed to fluctuations in interest rates on its deposits. The Company has cash and cash equivalents held as deposits with banks which are readily accessible and receive variable rate interest. The Company actively monitors interest rate exposures on the deposits so as to minimise the effect of interest rate fluctuations on the income statement. The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

<u>Interest rate sensitivity analysis</u>

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period 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.

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NOTES TO THE FINANCIAL STATEMENTS

Interest rate risks (Cont'd)

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 2017 would increase/decrease by (N 57.236M) (2016: increase/decrease by (N243.931M)). This is mainly attributable to the Company's exposure to interest rates on its deposits.

The Company's sensitivity to interest rates has decreased during the current year mainly due to the reduction in variable rate debt instruments.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	Liabilities		Assets	
Particular	**31-Mar-17**	**31-Mar-16**	**31-Mar-17**	**31-Mar-16**
US Dollars	2426,26,618	16255,76,176	2,90,876	20,992

Foreign currency sensitivity analysis
The Company is mainly exposed to the currency of United States of America

The following table details the Company's sensitivity to a 5% increase and decrease in the Naira against the relevant foreign currencies. 5% 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 year end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations related to the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

For a 5% strenghtening of the Naira against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive.

For a 5% weakening of the Naira against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	US Dollars impact	
Particular	**31-Mar-17**	**31-Mar-16**
Profit or loss	(140,99,428)	(802,15,771)

This is mainly attributable to the exposure outstanding on US dollars receivables and payables in the Company at the end of the reporting period.

Other price risks

The Company is not exposed to any other price risks arising from equity.

NOTES TO THE FINANCIAL STATEMENTS

25.7 Credit risk management

Credit risk is the risk that a counterparty will default on its contractual obligations leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and investing activities (deposits with banks).

- **Trade and other receivables**

The Company's receivables consist of large number of customers spread across diverse industires. Credit evaluation is usually performed on the financial condition of accounts receivable. The company has a policy of only dealing with creditworthy counterparties and obtaining advances where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company does not have significant credit exposure to any single customer or group of customers that are related entities. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board and management periodically.

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.

- **Deposits with financial institutions**

Credit risk from balances with banks and financial institutions is managed by the management. Surplus funds are spread amongst reputable commercial banks and are limited. Counterpart credit limits are reviewed by the Management periodically and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's liquidation.

The carrying amount of financial assets represents the company's maximum exposure, which at the reporting date, was as follows:

Particular	31-Mar-17	31-Mar-16
Cash and cash equivalents	3127,99,875	10834,53,112
Trade and other receivables	268,27,683	2711,24,507
Total	3396,27,558	13545,77,619

25.7.1 Collateral held as security and other credit enhancements

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risk as no collateral or other credit enhancements are held except where advances are obtained from customers when appropriate.

25.8 Liquidity risk management

Liquidity risk is the risk that the Company is unable to meet its current and future cash flow obligations as and when they fall due, or can only do so at excessive cost.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term and medium-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

25.8.1 **Maturity risk**
The following tables show the Company's contractual maturities of financial liabilities:

Particular	2017			
Financial liabilities at amortised cost	Carrying Amount	Contractual Cash Flows	Less than 60 Days	More than 60 days
Trade and other payables	5653,00,605	5653,00,605	5653,00,605	-
Total	5653,00,605	5653,00,605	5653,00,605	-

Particular	2016			
Financial liabilities at amortised cost	Carrying Amount	Contractual Cash Flows	Less than 60 Days	More than 60 days
Trade and other payables	19648,78,401	19648,78,401	19648,78,401	-
Total	19648,78,401	19648,78,401	19648,78,401	-

Financial liabilities that can be repaid at any time have been assigned to the earliest possible time period. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

Capital Commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Company's state of affairs have been taken into consideration in the preparation of these financial statements.

Contingent liabilities and contingent assets

There were no significant contingent libilities/assets as at 31 March 2017

28 Events after the reporting period
There were no post balance sheet events that could have material effect on the state of affairs of the Company at 31 March 2017 and on the profit for the year ended on that date that have not been taken into accounts in these financial statements.

The financial statements have been prepared on a going concern basis, because Redington Gulf FZE, Dubai, the parent company has confirmed in writing that they will continue to support the on-going operations of its subsidiary, Redington Nigeria Limited in the next foreseeable future.

29 Approval of financial statements
The financial statements were approved by the Board and authorised for issue on ……………. 2017

30 General
All financials are in Indian Rupees (INR)

REDINGTON GULF & CO. LLC

Report and financial statements for the year ended 31 March 2017

REDINGTON GULF & CO. LLC

Report and financial statements
for the year ended 31 March 2017

Pages

REDINGTON GULF & CO. LLC

Statement of financial position(In Indian Rupees)
at 31 March 2017

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	5	9,26,771	8,68,882
Total Non Current Assets		**9,26,771**	**8,68,882**
Current Assets			
Current Financial Assets			
Inventories		67,23,214	123,48,490
Trade receivables	6	1269,07,106	1469,34,744
Cash and bank balances	7	337,64,468	137,35,191
Other financial assets	8	3,15,156	20,31,006
Other Current Assets	8a	24,23,045	24,22,683
Total Current assets		**1701,32,989**	**1774,72,115**
Total Assets		**1710,59,760**	**1783,40,997**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		252,66,375	258,13,500
Other Equity			
Other reserves		281,61,503	72,26,750
Retained earnings		41,74,572	245,34,181
Equity attributable to the owners of the Company		**576,02,450**	**575,74,430**
Non-Controlling interests		-	-
Total Equity		**576,02,450**	**575,74,430**
Non-Current Liabilities			
Provisions	10	46,74,953	35,66,221
Total Non-current Liabilities		**46,74,953**	**35,66,221**
Current Liabilities			
Financial Liabilities			
Trade and other payables	11	1083,85,000	1172,00,346
Current tax liabilities (net payables)		3,97,356	-
Total Current Liabilities		**1087,82,356**	**1172,00,346**
Total Equity and Liabilities		**1710,59,760**	**1783,40,997**

The accompanying notes form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income for the year ended 31 March 2017(In Indian Rupees)

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations		2690,70,204	2885,77,386
(b)Other gain / (losses)	13	284,69,010	170,33,160
(c).Total Revenue(a+b)		**2975,39,214**	**3056,10,546**
Purchase of traded goods		2301,88,327	2577,21,880
Changes in inventories		56,25,276	(67,31,006)
Employee Benefits	12a	378,84,182	316,67,173
Depreciation & Amortisation		4,22,808	5,77,616
Other Expenses	12b	217,19,388	185,82,552
Total Expenses(d)		**2958,39,982**	**3018,18,216**
Profit before Corporate social responsibility expenditure and Tax		**16,99,232**	**37,92,330**
Profit before exceptional items and tax		**16,99,232**	**37,92,330**
e.Profit before tax (c-d)		**16,99,232**	**37,92,330**
Income Tax expense:			
Current tax		(4,10,285)	(7,77,827)
h.Profit for the Year (e-f-g)		**12,88,947**	**30,14,503**
Total Comprehensive Income for the Year attributable to (h+k)		12,88,947	30,14,503
Profit for the year attributable to the :-			
Shareholders of the Company		12,88,947	30,14,503
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		12,88,947	30,14,503

The accompanying notes form an integral part of these financial statements.

REDINGTON GULF & CO. LLC

Statement of changes in equity
for the year ended 31 March 2017(In Indian Rupees)

Particulars	Share capital	Statutory Reserve	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	258,13,500	42,12,247	30,14,503	245,34,181	575,74,430
Profit for the year			12,88,947		12,88,947
Dividend paid			-		-
Other comprehensive income					-
Foreign currency adustment					-
Additions during the year		1,28,877	(1,28,877)	(12,60,927)	(12,60,927)
Deduction					-
Balance as at March 31, 2017	252,66,375	42,47,782.97	41,74,572	232,73,254	576,02,450

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
for the year ended 31 March 2017(In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	16,99,232	37,92,330
Adjustments for		
Depritiation and Amortisation Expenses	4,22,808	5,77,616
Charge for employment termination benefit	12,22,856	11,00,060
Change in Working capital		
Change in Inventories	55,38,071	(63,93,041)
Change in Trade and other receivable	191,37,494	523,86,211
Change in Trade and other Payable	(65,37,261)	(719,01,783)
Cash flow from operating activity	**88,82,967**	**(9,23,035)**
Income Tax paid	-	(7,77,827)
Gratuity paid	-	(8,09,475)
Net cash flow from operating activity	88,82,967	(25,10,337)
Cash flow from investing activity		
Purchase of property and equipment	(5,01,595)	(5,08,566)
Net cash in investing activity	(5,01,595)	(5,08,566)
Net increase in cash and cash equivalents	83,81,372	(30,18,903)
Cash and Cash equivalents at the beginning of the year	137,35,191	352,05,777
Currency transalation asjustment	116,47,905	(184,51,682)
Cash and Cash equivalents at the end of the year	**337,64,468**	**137,35,191**

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. Application of new and revised International Financial Reporting Standards (IND AS)

2.1 New and revised IND ASs applied with no material effect on the financial statements

The following new and revised IND ASs, which became effective for annual periods beginning on or after 1 January 2016, have been adopted in these financial statements. The application of these revised IND ASs 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.

- IND AS 114 *Regulatory Deferral Accounts*
- Amendments to IND AS 1*Presentation of Financial Statements* relating to Disclosure initiative
- Amendments to IND AS 1IND AS 111 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 41 *Agriculture*: Bearer Plants
- Amendments to IND AS 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
- Amendments to IND AS 110 *Consolidated Financial Statements*, IND AS 112 *Disclosure of Interests in Other Entities* and IND AS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities
- Annual Improvements to IND ASs 2012 – 2014 Cycle covering amendments to IND AS 105, IND AS 107, IND AS 19 and IND AS 34.

2. Adoption of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective

The Company has not yet applied the following new and revised IND ASs that have been issued but are not yet effective:

New and revised IND ASs	Effective for annual periods beginning on or after
IND AS 114 Regulatory Deferral Accounts	1 January 2016
Amendments to IND AS 1*Presentation of Financial Statements* relating to Disclosure initiative	1 January 2016
Amendments to IND AS 111 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 41 *Agriculture* relating to bearer plants	1 January 2016
Amendments to IND AS 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 IND AS 110 *Consolidated Financial Statements*, IND AS 112 *Disclosure of Interests in Other Entities* and IND AS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities	1 January 2016
Annual Improvements to IND ASs 2012 - 2014 Cycle covering amendments to IND AS105, IND AS 107, IND AS 19 and IND AS 34	1 January 2016

2. Adoption of new and revised International Financial Reporting Standards (IND AS) (continued)

New and revised IND AS in issue but not yet effective (continued)

New and revised IND ASs	**Effective for annual periods beginning on or after**
Annual Improvements to IND AS Standards 2014 – 2016 Cycle amending IND AS 101, IND AS 112 and IND AS 28	The amendments to IND AS 101 and IND AS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IND AS 112 for annual periods beginning on or after 1 January 2017
Amendments to IND AS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses	1 January 2017
Amendments to IND AS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	1 January 2017
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: • there is consideration that is denominated or priced in a foreign currency; • the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and • the prepayment asset or deferred income liability is non-monetary.	1 January 2018
Amendments to IND AS 102 *Share Based Payment* regarding classification and measurement of share based payment transactions	1 January 2018
Amendments to IND AS 104 *Insurance Contracts*: Relating to the different effective dates of IND AS 109 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IND AS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	1 January 2018
Amendments to IND AS 107 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IND AS 109	When IND AS 109 is first applied

2. Adoption of new and revised International Financial Reporting Standards (IND AS) (continued)

New and revised IND AS in issue but not yet effective (continued)

New and revised IND ASs	Effective for annual periods beginning on or after
IND AS 107 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IND AS 109	When IND AS 109 is first applied
IND AS 109 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014)	1 January 2018

IND AS 109 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IND AS 109 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 IND AS 109 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.

A finalised version of IND AS 109 which contains accounting requirements for financial instruments, replacing IND AS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- **Classification and measurement**: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IND AS 109 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IND AS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment**: The 2014 version of IND AS 109 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised
- **Hedge accounting**: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **Derecognition**: The requirements for the derecognition of financial assets and liabilities are carried forward from IND AS 39.

New and revised IND AS in issue but not yet effective (continued)

New and revised IND ASs	Effective for annual periods beginning on or after
IND AS 115 *Revenue from Contracts with Customers*	1 January 2018

In May 2014, IND AS 115 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 *Revenue*, IND AS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IND AS 115 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 IND AS 115, 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 IND AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 115.

Amendments to IND AS 115 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018
IND AS 116 *Leases* IND AS 116 specifies how an IND AS 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 IND AS 116's approach to lessor accounting substantially unchanged from its predecessor, IND AS 17.	1 January 2019

Amendments to IND AS 110 *Consolidated Financial Statements* and IND AS 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

2. Adoption of new and revised International Financial Reporting Standards (IND AS) (continued)

New and revised IND AS in issue but not yet effective (continued)

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IND AS 109, IND AS 115 and IND AS 116, may have no material impact on the financial statements of the Company in the period of initial application.

Management anticipates that IND AS 115 and IND AS 109 will be adopted in the Company's financial statements for the annual period beginning 1 January 2018 and that IND AS 116 will be adopted in the Company's financial statements for the annual period beginning 1 January 2019. The application of IND AS 115 and IND AS 109 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of revenue from contracts with customers and the Company's financial assets and financial liabilities and the application of IND AS 116 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of its 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. Summary of significant accounting policies

Statement of compliance

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

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.

3. Summary of significant accounting policies (continued)

Plant and equipment (continued)

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.

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.

3. Summary of significant accounting policies (continued)

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.

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.

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.

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.

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 IND ASs, 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.

Reporting currency:
All amounts are in Inr Rupees.

5. Property and equipment

Description	Furniture & Fixtures	Office Equipments	Vehicles	Total
Cost				
As at 01.04.16	66,88,450	31,29,285	8,49,092	106,66,827
Additions	2,85,408	2,16,187	-	5,01,595
Assets of Subsidiaries acquired	-	-	-	-
Disposal	-	-	-	-
Disposl of assets of EA				-
Translation adjustments	(1,50,758)	(73,139)	(17,997)	(2,41,894)
As at 31.03.17	**68,23,100**	**32,72,332**	**8,31,095**	**109,26,528**
Accumulated Depreciations				
As at 01.04.16	61,14,186	28,34,666	8,49,092	97,97,944
Additions	2,80,712	1,42,095	-	4,22,808
Assets of subsidiaries acquired	-	-	-	-
Disposals	-	-	-	-
Disposal of Assets of EA				-
Translation adjustments	(1,38,438)	(64,560)	(17,997)	(2,20,995)
As at 31.03.17	**62,56,460**	**29,12,202**	**8,31,095**	**99,99,757**
Carrying Amount				
As at 01.04.16	**5,74,264**	**2,94,618**	**-**	**8,68,882**
As at 31.03.17	**5,66,641**	**3,60,130**	**-**	**9,26,771**

6. Trade and other receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	263,96,624	495,00,312
(b) Other Trade receivables		-
Considered good	1005,10,482	974,34,432.47
Total Trade and other receivable	**1269,07,106**	**1469,34,744**

7. Cash and cash equivalents

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	1,67,937	20,89,861
(b) Balances with banks		
(i) In current accounts	335,96,530	116,45,330
Total	**337,64,468**	**137,35,191**

8. Other Current Financial Assets

Particulars	31-Mar-17	31-Mar-16
Advances to suppliers and others	3,15,156	20,31,006
Total	**3,15,156**	**20,31,006**

8a. Other Current Assets

Particulars	31-Mar-17	31-Mar-16
Prepayments	24,23,045	24,22,683
Total	**24,23,045**	**24,22,683**

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. Provision

Particulars	31-Mar-17	31-Mar-16
(i) Provision for Gratuity	46,74,953	35,66,221
Total	**46,74,953**	**35,66,221**

11. Trade and other payables

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	24,33,152	30,45,993
(b) Other Payables	1059,51,848	1141,54,353
Total Trade Payables	**1083,85,000**	**1172,00,346**

12a. Employee Benefits Expenses

Particulars	31-Mar-17	31-Mar-16
Salaries	378,84,182	316,67,173
Total	**378,84,182**	**316,67,173**

12b. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Rent	46,81,324	46,44,115
Repairs and Maintenance	14,13,824	27,96,353
Communication	16,04,096	19,36,783
Travelling Expenses	41,50,509	34,12,217
Professional Charges	12,60,945	13,45,458
Exchange Loss Net	18,41,849	-
Miscellaneous Expenses	67,66,840	44,47,627
Total	**217,19,388**	**185,82,552**

13. Other income

Particulars	31-Mar-17	31-Mar-16
Exchange gain/(Loss) Net	-	20,06,848
Reversal of provision for standard assets	-	7,36,363
Other Non operating income	284,69,010	142,89,949
Total	**284,69,010**	**170,33,160**

14 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:

i. Due from Related Party

Particulars	31-Mar-17	31-Mar-16
Redington Gulf FZE	1000,96,113	974,34,432
Total	**1000,96,113**	**974,34,432**

ii. Due to Related Party

Particulars	31-Mar-17	31-Mar-16
Cadens Worth FZE	-	283,39,953
Ensure Gulf FZE	992,36,214	701,96,544
Total	**992,36,214**	**985,36,497**

15. 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.

15. 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:

Particular	31-Mar-17	31-Mar-16
Trade receivables	263,96,624	495,00,312
Due from related parties	1000,96,113	974,34,432
Other receivables	7,29,524	20,31,006
Bank balances	335,96,530	116,45,330
Total	**1608,18,792**	**1606,11,081**

15. 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:

Particular	31-Mar-17		31-Mar-16	
	Gross	Impairment	Gross	Impairment
Not past due	225,38,449	-	310,74,291	-
Past due 31 – 90 days	35,62,054	-	91,33,333	-
Past due 91 – 120 days	70,914	-	3,77,049	-
Past due 121 days	2,25,208	-	89,15,639	-
Total	263,96,624	-	495,00,312	-

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.

Particulars	31-Mar-17		31-Mar-16	
	Carring Amount	6 month or Less	Carring Amount	6 month or Less
Trade payables	24,33,152	24,33,152	30,45,993	30,45,993
Due to related parties	992,36,214	992,36,214	985,36,497	985,36,497
Advance from customers	51,92,409	51,92,409	37,06,130	37,06,130
Other payables	15,23,226	15,23,226	119,11,726	119,11,726
Total	1083,85,000	1083,85,000	1172,00,346	1172,00,346

15. 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.

16. 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.

17. 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.

18. Comparative figures

Certain comparative information has been reclassified to conform to the presentation adopted in these financial statements.

19. General

All the financials are presented In Indian Rupees (INR)

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REDINGTON KENYA LIMITED

REPORTS AND SEPARATE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

REDINGTON KENYA LIMITED

CORPORATE INFORMATION

DIRECTORS	Raj Shankar* Sriram Ganeshan** * Singaporean ** Indian
SECRETARY	Livingstone Associates Certified Public Secretaries (Kenya) Deloitte Place Waiyaki Way, Muthangari P O Box 30029 - 00100 Nairobi
REGISTERED OFFICE	LR No. 209/4393/24 Deloitte Place Waiyaki Way, Muthangari P O Box 30029 - 00100 Nairobi
PRINCIPAL PLACE OF BUSINESS	Whitefield place School Lane, Westlands 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	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
LAWYERS	Mogeni & Company Advocates AGIP House, Haile Selassie Avenue P O Box 63513 - 00619 Nairobi.

REDINGTON KENYA LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of Redington Kenya Limited (the "Company") for the year ended 31 March 2017.

The company also prepares consolidated financial statements available for shareholders as required by Section 150 of the Kenyan Companies Act and Indian Accounting Standard (IND AS) No. 27 on Consolidated and Separate financial statements.

ACTIVITIES

The company imports and distributes information technology products.

RESULTS

	2017 INR
Profit before taxation	1,62,92,037
Taxation charge	(52,65,562)
Profit for the year	1,10,26,475

DIVIDEND

The directors do not recommend the payment of a dividend for the year (2016: INR Nil).

DIRECTORS

The current directors are shown on page 2.

AUDITORS

Deloitte & Touche, having expressed their willingness, continue in office in accordance with the provisions of the Kenyan Companies Act.

BY ORDER OF THE BOARD

Secretary

2017

Nairobi

REDINGTON KENYA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the prevention and detection of fraud and error.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. They also accept responsibility for:

(i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
(ii) selecting suitable accounting policies and applying them consistently; and
(iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of Directors on ………………………………….. 2017 and signed on its behalf by:

……………………………………   ……………………………………

Director   Director

INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF REDINGTON KENYA LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Redington Kenya Limited, set out on pages 8 to 28, which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 March 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Institute of Certified Public Accountants of Kenya Code of Ethics (ICPAK Code of Ethics), which is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with other ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information, which comprises the report of Directors as required by the Kenyan Companies Act. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF REDINGTON KENYA LIMITED (Continued)

Responsibilities of the directors and those charged with governance 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 the requirements of 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the company financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF REDINGTON KENYA LIMITED (Continued)

Auditors' Responsibilities for the Audit of the Financial statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 (Balance Sheet) and statement of profit or loss and other comprehensive income (Profit and Loss account) are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditors' report is ***CPA Fredrick Aloo – P/No 1537***

Certified Public Accountants (Kenya)

Nairobi, Kenya

2017

REDINGTON KENYA LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	**Note No.**	**Period ended March 31, 2017**	**Period ended March 31, 2016**
Comprehensive Income:			
(a) Revenue from operations	12	27976,77,587	27556,91,313
(b) Other gain / (losses)	13	(17,738)	4,55,385
(c) Total Revenue(a+b)		**27976,59,849**	**27561,46,698**
(d) Expenses			
Purchase of traded goods		26148,74,298	26017,52,634
Changes in inventories		(74,27,708)	(498,31,616)
Employee Benefits	14	804,26,781	642,19,436
Depreciation & Amortisation		102,95,274	84,82,739
Other Expenses	15	831,99,167	1165,00,601
Total Expenses(d)		**27813,67,812**	**27411,23,795**
Profit before Corporate social responsibility expenditure and Tax		**162,92,037**	**150,22,903**
Profit before exceptional items and tax		**162,92,037**	**150,22,903**
e.Profit before tax (c-d)		**162,92,037**	**150,22,903**
(f) Income Tax expense:			
Current tax		(52,65,562)	(48,51,645)
h.Profit for the Year (e-f)		**110,26,475**	**101,71,258**
Total Comprehensive Income for the Year attributable to (h+k)		110,26,475	101,71,258
Profit for the year attributable to the :-			
Shareholders of the Company		110,26,475	101,71,258
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		110,26,475	101,71,258

REDINGTON KENYA LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017(In Indian Rupees)

Particulars	Note	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	4	165,19,153	224,29,262
Non-Current Financial Assets	3	62,993	65,340
Deferred Tax Assets (Net)		95,09,978	71,02,458
Total Non Current Assets		**260,92,123**	**295,97,060**
Current Assets			
Inventories	5	2213,26,039	2138,98,331
Financial assets			
Trade receivables	6	6346,43,138	7998,51,116
Cash and bank balances	7	576,21,759	885,48,115
Other Current Assets	8	65,34,842	101,81,932
Total Current assets		**9201,25,778**	**11124,79,493**
Total Assets		**9462,17,902**	**11420,76,553**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		6,29,925	6,53,400
Other Equity			
Other reserves		(66,01,111)	(59,97,339)
Retained earnings		211,97,733	101,71,258
Equity attributable to the owners of the Company		**152,26,547**	**48,27,319**
Non-Controlling interests		-	-
Total Equity		**152,26,547**	**48,27,319**
Current Liabilities			
Financial Liabilities			
Trade and other payables	9	8664,50,499	10481,45,076
Provisions	10	139,11,264	130,07,887
Other Current Liablities	11	506,29,592	760,96,271
Total Current Liabilities		**9309,91,355**	**11372,49,234**
Total Equity and Liabilities		**9462,17,902**	**11420,76,553**

The financial statements on pages 8 to 28 were approved by the Board of Directors on 2017 and were signed on its behalf by:

)
)
) Directors
)
)

REDINGTON KENYA LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	Share capital	Equity Setteled emplo	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	6,53,400	32,83,988	1,01,71,258	(92,81,327)	48,27,319
Profit for the year			1,10,26,475		1,10,26,475
Dividend paid			-		-
Other comprehensive income					-
Foreign currency adustment					-
Additions during the year			-	(6,27,247)	(6,27,247)
Deduction					-
Balance as at March 31, 2017	6,29,925	31,66,003.05	2,11,97,733	(99,08,574)	1,52,26,547

*The equity-settled employee benefits reserve arises on the grant of share options to employees under the employee share option plan.

REDINGTON KENYA LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	1,62,92,037	1,50,22,903
Adjustments for		
Depreciation	1,02,95,274	84,82,739
Gain on disposal of Assets	17,738	(4,96,584)
Change in recievables	14,15,21,755	(28,87,29,511)
Inventories	(1,57,61,210)	(4,28,82,264)
Trade payables	15,26,86,192	4,18,51,656
Taxes paid	(21,18,707)	(15,33,928)
(Decrease)/ increase in due to parent company	(32,71,13,933)	27,78,94,949
Changes in due from Related company		
Net cash flow from operating activity	**30,29,33,079**	**(26,82,84,988)**
Cash flow from investing activity		
Capital expenditure	(49,89,637)	(1,21,65,364)
Sale of Asset		4,61,377
Dividend paid	-	-
Net cash in investing activity	(49,89,637)	(1,17,03,987)
Net increase in cash and cash equivalents	29,79,43,441	(27,99,88,975)
Cash and Cash equivalents at the beginning of the year	8,85,48,115	7,70,67,417
Currency transalation asjustment	(32,88,69,796)	29,14,69,672
Cash and Cash equivalents at the end of the year	**5,76,21,759**	**8,85,48,115**

1 ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act.

The company also prepares consolidated financial statements as required by IND AS 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/ is equivalent to the statement of financial position and the profit and loss account is presented in the statement of profit or loss and other comprehensive income.

Adoption of new and revised International Financial Reporting Standards (IND AS)

(i) Relevant new standards and amendments to published standards effective for the year ended 31 March 2017

Several new and revised standards and interpretations became effective during the year. The directors have evaluated the impact of their new standards and interpretations and none of them had a significant impact on the company's financial statements.

(ii) Relevant new and amended standards and interpretations in issue but not yet effective in the year ended 31 March 2017.

New and Amendments to standards	*Effective for annual periods beginning on or after*
IND AS 109 Financial Instruments	1 January 2018, with earlier application permitted
IND AS 115 Revenue from contracts with customers	1 January 2018, with earlier application permitted
IND AS 116 Leases	1 January 2019, with earlier application permitted
Amendments to IND AS 102 Classification and Measurement of Share-based Payment Transactions	1 January 2018, with earlier application permitted
Amendments to IND AS 110 and IND AS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 4	Effective for annual periods beginning on or after a date to be determined
Amendments to IND AS 7	1 January 2017, with earlier application permitted
Amendments to IND AS 12	1 January 2017, with earlier application permitted

1 ACCOUNTING POLICIES (Continued)

(iii) Impact of relevant new standards and amendments to published standards effective for the year ended 31 March 2017 and future annual periods

IND AS 109 Financial Instruments

IND AS 109, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IND AS 109 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for de-recognition.
Key requirements of IND AS 109:

- All recognised financial assets that are within the scope of IND AS 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. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IND AS 109, 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, IND AS 109 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 IND AS 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.

- The directors of the Group anticipate that the application of IND AS 109 in the future will have a significant 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 IND AS 109 until a detailed review has been completed.

IND AS 115 Revenue from Contracts with Customers

IND AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 Revenue, IND AS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IND AS 115 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:

- 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 ACCOUNTING POLICIES (Continued)

(iii) Impact of relevant new standards and amendments to published standards effective for the year ended 31 March 2017 and future annual periods (continued)

IND AS 115 Revenue from Contracts with Customers (Continued)

Under IND AS 115, an entity recognises revenue 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 IND AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 115.

In April 2016, the IND ASB issued Clarifications to IND AS 115 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors are still in the process of assessing the full impact of the application of IND AS 115 on the Company’s financial statements and it is not practicable to provide a reasonable financial estimate of the effect until the directors complete the detailed review. The directors do not intend to early apply the standard and intend to use the full retrospective method upon adoption.

IND AS 116 Leases

IND AS 116 specifies how an entity will recognise, measure, present and disclose leases. The standard provides a single lease 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 lease, with IND AS 116, approach to lessor accounting unchanged from its predecessor, IND AS 17.

IND AS 116 applies to annual reporting periods beginning on or after 1 January 2019.The directors anticipate that the adoption of IND AS 116 will not have a significant impact on the group’s financial statements.

Amendments to IND AS 7 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Company’s financial statements.

Amendments to IND AS 12 Recognition of Deferred Tax Assets for Unrealized Losses

The amendments clarify the following:

- Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;

1 ACCOUNTING POLICIES (Continued)

(iii) Impact of relevant new standards and amendments to published standards effective for the year ended 31 March 2017 and future annual periods (continued)

Amendments to IND AS 12 Recognition of Deferred Tax Assets for Unrealized Losses (Continued)

- When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;

- The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and

- In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Company's financial statements.

(iv) Early adoption of standards

The company did not early-adopt any new or amended standards in 2017.

Basis of preparation

The company prepares its financial statements under the historical cost convention as modified by the revaluation of certain financial instruments which are accounted for at fair value, on the assumption that the company will continue trading as a going concern in the foreseeable future. The principal accounting policies adopted in the preparation of these financial statements, remain unchanged from the previous year and are set out 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.

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.

1 ACCOUNTING POLICIES (Continued)

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.

Investment in subsidiaries

Investment in subsidiaries are stated at cost less any impairment losses in the company's separate financial statements. The holding company accounts for dividends from subsidiary companies when its right to receive dividend as a shareholder has been established.

Motor vehicles, leasehold improvements, furniture and equipment

Motor vehicles, leasehold improvements, furniture 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%
Leasehold improvements	5%
Networking equipment	33%

Impairment

At the end of each reporting period, the company reviews the carrying amount 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.

Any impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised as income immediately.

1 ACCOUNTING POLICIES (Continued)

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 inventories 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 installment is charged to profit or loss at the time that each instalment falls due.

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.

Provisions for liabilities and charges

Provisions 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 a reliable estimate of the amount can be made. Where the company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

1 ACCOUNTING POLICIES (Continued)

Share capital

Ordinary shares are classified as equity.

Employee entitlements

Employee entitlements to annual leave and service gratuity are recognised when they accrue to employees. A provision is made for the estimated liability 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. Contributions are determined by local statute. 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.

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 accounting 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. As at reporting date, there are no options outstanding.

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

Motor vehicles, leasehold improvements, furniture and equipment

Critical estimates are made by the management, in determining depreciation rates for Motor vehicles, leasehold improvements, furniture and equipment.

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY (continued)

Critical judgments in applying accounting policies (continued)

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 judgements 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 motor vehicles, leasehold improvements, furniture and equipment

As described above, the company reviews their estimated useful lives 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, 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 Redington India Limited (the ultimate holding company) 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 INVESTMENT IN SUBSIDIARY

At cost

Investment in subsidiary	62993	65340
	======	======

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 wholly owned by Redington Kenya Limited.

REDINGTON KENYA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 PROPERTY PLANT AND EQUIPMENT

Description	Plant and Equipment	Furniture & Fixtures	Computers	Vehicles	Networking Equipment	Total
Cost						
As at 01.04.16	71,88,707	1,92,10,613	58,51,850	1,31,75,158	1,59,00,489	6,13,26,817
Additions	-	29,65,533	9,84,788	-	10,39,316	49,89,637
Assets of Subsidiaries acquired	-	-	-	-		-
Disposal	-	-	2,13,513	-	4,06,003	6,19,517
Translation adjustments	(2,58,272)	(8,12,240)	(2,41,985)	(4,73,350)	(5,97,329)	(23,83,176)
As at 31.03.17	**69,30,435**	**2,13,63,906**	**63,81,140**	**1,27,01,808**	**1,59,36,473**	**6,33,13,762**
Accumulated Depreciations						
As at 01.04.16	42,54,287	1,42,66,336	45,72,493	99,05,544	58,98,895	3,88,97,555
Additions	3,61,330	25,05,002	16,31,240	17,52,779	40,44,924	1,02,95,274
Assets of subsidiaries acquired	-	-	-	-		-
Disposals	-	-	2,07,600	-		6,01,779
Disposal of Assets of EA						-
Translation adjustments	(1,67,717)	(6,15,651)	(2,22,870)	(4,28,020)	(7,56,363)	(17,96,443)
As at 31.03.17	**44,47,900**	**1,61,55,686**	**57,73,263**	**1,12,30,303**	**91,87,456**	**4,67,94,609**
Carrying Amount						
As at 01.04.16	**29,34,419**	**49,44,278**	**12,79,357**	**32,69,614**	**1,00,01,594**	**2,24,29,262**
As at 31.03.17	**24,82,534**	**52,08,220**	**6,07,878**	**14,71,505**	**67,49,016**	**1,65,19,153**

* Fully depreciated assets which were no longer in use were scrapped from the assets register.

5 INVENTORIES

Particulars	**31-Mar-17**	**31-Mar-16**
(a) Trading Stocks	22,13,26,039	21,38,98,331
Total	**221326039**	**21,38,98,331**

6 TRADE AND OTHER RECEIVABLES

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	65,48,67,510	80,38,06,146
Considered Doubtful	(2,42,53,372)	(3,33,62,604)
(c) Receivables from releted parties		
Redington Tanzania Limited	-	12,10,096.80
Redington Kenya (EPZ) Limited	28,39,702	19,68,694.20
(b) Other Trade receivables		-
Considered good	11,89,298	2,62,28,782.80
Total Trade and other receivable	**63,46,43,138.25**	**79,98,51,115.80**

6a. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability to control one party or exercise significant influence over the other party in making financial or operational decisions.

(a) Due from related parties

Particulars	31-Mar-17	31-Mar-16
Redington Tanzania Limited	-	12,10,097
Redington Kenya (EPZ) Limited	28,39,702	19,68,694
Total	**28,39,702**	**31,78,791**

b) Due to related parties

Particulars	31-Mar-17	31-Mar-16
Redington Uganda Limited	-	2,92,723
Redington Gulf FZE UAE	67,05,35,635	1,02,05,70,943
Total	**67,05,35,635**	**1,02,08,63,666**

(c) Related party transactions

The company transacts with the parent company.

During the year, the following transactions were entered into with related parties:

Sales to related parties	54,61,994	3,12,93,920
	=======	========
Purchases from related parties	2,20,77,99,292	1,13,61,17,245
	=======	========

(d) Key management compensation

Salaries	43,51,726	36,44,276
	=======	========

REDINGTON KENYA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. CASH AND CASH EQUIVALENT

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	1,31,654	1,31,333
(b) Balances with banks		
(i) In current accounts	5,74,90,105	8,84,16,781
Total	**5,76,21,759**	**8,85,48,115**

8. OTHER CURRENT ASSETS

Particulars	31-Mar-17	31-Mar-16
Corporate Tax Recoverable	-	39,73,325.40
Prepayments	65,34,841.95	62,08,606.80
Total	**65,34,841.95**	**1,01,81,932.20**

9. TRADE AND OTHER PAYABLE

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	19,59,14,864.03	2,72,81,410.20
Due to related parties	-	-
Redington Uganda Limited	-	2,92,723.20
Redington Gulf FZE UAE	67,05,35,635	1,02,05,70,943
Total Trade Payables	**866450499**	**1048145076**

10 PROVISION CURRENT

Particulars	31-Mar-17	31-Mar-16
(i)Provision for compensated absences	26,69,622.15	27,86,751.00
(ii) Provision for compensated Bonus	33,85,846.88	33,12,084.60
(iii) Provision for Gratuity	78,55,794.68	69,09,051.60
Total	**1,39,11,263.70**	**1,30,07,887.20**

11. OTHER LIABILITY

Particulars	31-Mar-17	31-Mar-16
Statutory liabilities	18,49,459.80	-
Other Liabilities	4,87,80,132.15	7,60,96,270.80
Total	**5,06,29,591.95**	**7,60,96,270.80**

12. Revenue from Operation

Particulars	31-Mar-17	31-Mar-16
Sales	27976,77,587	27556,91,313
Total	**27976,77,587**	**27556,91,313**

13. Other Gain

Particulars	31-Mar-17	31-Mar-16
Other Non operating income	(17,738)	4,55,385
Total	**(17,738)**	**4,55,385**

14. Employee benefit

Particulars	31-Mar-17	31-Mar-16
Salaries and Bonus	790,16,280	629,86,901
Welfare Expenses	14,10,501	12,32,535
Total	**804,26,781**	**642,19,436**

15. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Rent	213,54,597	200,69,285
Repairs and Maintenance	30,34,514	23,62,009
Utilities	14,88,679	12,40,923
Insurance	73,10,032	(231,87,472)
Communication	58,71,282	59,64,941
Sales Promotion Expenses	114,40,362	141,91,227
Travelling Expenses	137,15,426	162,50,045
Goodwill written off merger off an wholly-	-	-
Professional Charges	18,78,259	63,04,083
Warehouse handling charges	7,48,281	9,81,474
Provision for Doubtful receivables	(82,50,147)	100,38,238
Auditor's Remuneration(including remuneration to Subsidiarie's auditors)	15,65,544	15,09,960
Exchange Loss Net	74,99,895	521,76,307
Bank Charges	24,64,927	15,52,502
Miscellaneous Expenses	130,77,515	70,47,079
Total	**831,99,167**	**1165,00,601**

16 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 intercompany 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 minimise translation gains and losses.

The carrying amounts of the Company's financial assets and liabilities denominated in foreign currencies at the reporting date are as follows:

Foreign currency risk		
Particulars	**31-Mar-17**	**31-Mar-16**
Financial Assets		
1. Trade receivables	45,18,33,864	78,89,52,404
2. Due from Releted Parties	16,03,159	31,78,791
3. Bank Balances	5,59,00,804	8,02,12,037
Total	**50,93,37,827**	**87,23,43,232**
Fianancial Liabilities		
10. Trade payables	4,73,12,407	2,72,81,410
11. Due to Releted Parties	67,05,35,635	1,02,05,70,943
Total	**71,78,48,042**	**1,04,78,52,353**
Currency Gap	(20,85,10,214)	(17,55,09,121)

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Market Risk – Foreign Exchange Risk (continued)

The following table details the Company's sensitivity to a 10% increase and decrease in the exchange rate of Kenya Shilling (Sh) 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:

	31 March 2017		31 March 2016	
	10% increase	10% decrease	10% increase	10% decrease
	INR	INR	INR	INR
Effect on profit	(2,17,46,148)	2,,17,46,148	(1,60,94,855)	1,60,94,855
	========	========	========	========

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 table below shows the firms maximum exposure to credit risk.

31-Mar-17	**Fully performing**	**Past due**	**Impaired**	**Total**
Trade receivables	8,62,03,976	54,44,09,532	2,42,53,372	65,48,66,880
Due from related parties	28,39,702	-	-	28,39,702
Bank balances	5,74,90,105	-	-	5,74,90,105
Total	14,65,33,783	54,44,09,532	2,42,53,372	71,51,96,687

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Credit Risk (Continued)

31-Mar-16	Fully performing	Past due	Impaired	Total
Trade receivables	65,15,77,014	11,88,66,528	3,33,62,604	80,38,06,146
Due from related parties	31,78,791	-	-	31,78,791
Bank balances	8,84,16,781	-	-	8,84,16,781
Total	74,31,72,586	11,88,66,528	3,33,62,604	89,54,01,718

The customers under the fully performing category are paying their debts as they continue trading.

Past due debt is the debt that is overdue but is not impaired and continues to be paid.

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, 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 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 that affect liquidity.

Particular	Less than 1 Month	Between 1 – 3 Months	Over 3 Months	Total
31-Mar-17				
Financial liabilities				
Trade payables	1959,14,864	-	-	1959,14,864
Due to related parties	536,43,153	2145,71,353	4023,21,129	6705,35,635
Total	2495,58,017	2145,71,353	4023,21,129	8664,50,499
31-Mar-16				
Financial liabilities				
Trade payables	272,81,410	-	-	272,81,410
Due to related parties	816,69,773	3266,76,478	6125,17,415	10208,63,666
Total	1089,51,183	3266,76,478	6125,17,415	10481,45,076

17 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 2017 (2016 – nil).

18 CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 March 2017 and 31 March 2016.

19 CAPITAL COMMITMENTS

The company had no capital commitments as at 31 March 2017 (2016 - Sh Nil).

20 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period which should have been reported in the financial statements.

21 INCORPORATION

The company is domiciled and incorporated in Kenya under the Companies Act. The parent company is Redington Gulf FZE incorporated in The United Arab Emirates.

22 CURRENCY

These financial statements are presented in Indian Rupees

Cadensworth FZE
Jebel Ali Free Zone
Dubai - United Arab Emirates

Report and separate financial statements
for the year ended 31 March 2017

INDEPENDENT AUDITOR'S REPORT

The Shareholder
Cadensworth FZE
Jebel Ali Free Zone
Dubai
United Arab Emirates

Report on the Separate Financial Statements

We have audited the separate financial statements of **Cadensworth FZE, Jebel Ali Free Zone, Dubai, United Arab Emirates** (the "Establishment"), which comprise the separate statement of financial position as at 31 March 2017, the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, **a**nd a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Establishment as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with Indian Accounting Standards (IND AS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Separate Financial Statements

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

In preparing the separate financial statements, management is responsible for assessing the Establishment's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

Cont'd…

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Establishment to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, we report that the separate financial statements of the Establishment comply, in all material respects, with the applicable provisions of the Jebel Ali Free Zone Companies Implementing Regulations 2016.

Deloitte & Touche (M.E.)

Cynthia Corby
Registration No. 995
11 May 2017
Dubai, United Arab Emirates

Separate statement of financial position
as at 31 March 2017(In Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	5	6,43,754	19,38,147
Other Intangible assets(Software)	6	2,74,094	4,26,262
Non-Current Financial Assets	7	85,73,445	18,038
Total Non Current Assets		**94,91,293**	**23,82,447**
Current Assets			
Inventories	10	5990,48,221	6213,69,743
Trade receivables	11	11441,56,180	19095,80,360
Cash and bank balances	12	51,23,093	248,76,436
Other financial assets	12a	205,58,700	19,98,862
Other Current Assets	12b	136,79,783	98,78,796
Total Current assets		**17825,65,976**	**25677,04,196**
Total Assets		**17920,57,269**	**25700,86,643**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital	**13**	176,55,000	180,37,500
Other Equity			
Other reserves	14	9421,73,990	1720,02,947
Retained earnings		3028,20,823	9663,21,942
Equity attributable to the owners of the Company		**12626,49,813**	**11563,62,390**
Total Equity		**12626,49,813**	**11563,62,390**
Non-Current Liabilities			
Provisions	15	58,73,995	65,74,398
Total Non-current Liabilities		**58,73,995**	**65,74,398**
Current Liabilities			
Financial Liabilities			
Trade and other payables	16	4864,51,940	13833,91,167
Other Current Liablities	16a	370,81,520	237,58,688
Total Current Liabilities		**5235,33,461**	**14071,49,855**
Total Equity and Liabilities		**17920,57,269**	**25700,86,643**

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Director

The accompanying notes form an integral part of these separate financial statements.

Separate statement of profit or loss and other comprehensive income for the year ended 31 March 2017(In Indian Rupees)

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations	17	93246,59,445	50000,32,731
(b)Other gain / (losses)		-	89,83,532
(c).Total Revenue(a+b)		**93246,59,445**	**50090,16,263**
d.Expenses			
Purchase of traded goods	18	77188,59,203	34526,12,580
Changes in inventories	18	223,21,522	3112,65,860
Employee Benefits	19	240,86,002	262,90,402
Depreciation & Amortisation		8,24,888	6,33,364
Other Expenses	20	14234,95,664	10504,65,400
Total Expenses(d)		91895,87,281	48412,67,605
Profit before Corporate social responsibility expenditure and Tax		1350,72,165	1677,48,659
Profit before exceptional items and tax		1350,72,165	1677,48,659
e.Profit before tax (c-d)		**1350,72,165**	**1677,48,659**
Profit for the Year (e)		**1350,72,165**	**1677,48,659**
Total Comprehensive Income for the Year attributable to		**1350,72,165**	**1677,48,659**
Shareholders of the Company		1350,72,165	1677,48,659
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		1350,72,165	1677,48,659

The accompanying notes form an integral part of these separate financial statements.

Separate statement of changes in equity
for the year ended 31 March 2017(In Indian Rupees)

Particulars	Share capital	Equity Setteled employees benefit reserve	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	180,37,500	42,54,289	1677,48,659	9663,21,942	11563,62,390
Profit for the year			1350,72,165		1350,72,165
Dividend paid			-		-
Other comprehensive income					-
Foreign currency adustment					-
Additions during the year			-	(287,84,741)	(287,84,741)
Deduction					-
Balance as at March 31, 2017	176,55,000	41,64,072.99	3028,20,823	9375,37,201	12626,49,813

The accompanying notes form an integral part of these separate financial statements.

Separate statement of cash flows
for the year ended 31 March 2017 (In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	1350,72,164.63	1677,48,658.69
Adjustments for		
Allowance for doubtful debts	172,92,978.24	-
Allowance for slow-moving inventories	147,13,415.28	45,57,625.45
Provision for employees' end-of-service indemnity	14,03,575.54	17,99,975.40
Depreciation of property and equipment	6,77,094.72	6,21,114.01
Amortisation of intangible asset	1,47,793.73	12,249.58
Change in Working capital		
Increase in inventories	(52,70,513.57)	3404,11,088.54
Prepaid expenses and other assets	4872,29,980.90	(1614,53,320.58)
Decrease/(increase) in trade and other receivables	2206,83,144.60	(1494,12,397.49)
Related parties due Net	(7747,38,004.05)	(3719,14,806.46)
Trade and other payables	(1087,66,904.60)	1944,02,221.33
Cash flow from operating activity	**(115,55,274.60)**	**267,72,408.46**
Employees' end-of-service indemnity paid	(79,539.17)	(19,104.35)
Net Cash flow from operating activity	(116,34,814)	267,53,304
Cash flow from investing activity		
Proceeds from disposal of property and equipment	10,49,395.63	-
Purchases of property and equipment	(4,32,351.80)	(19,57,653.07)
Investment in an associate	(88,34,626.69)	-
Investment in a subsidiary	-	(17,804.62)
Purchase of intangible asset	-	(4,33,008.25)
Net cash in investing activity	(82,17,582.86)	(24,08,465.93)
Net increase in cash and cash equivalents	(198,52,396.62)	243,44,838.17
Cash and Cash equivalents at the beginning of the year	248,76,436.16	2,04,776.40
Currency transalation asjustment	99,053.05	3,26,821.59
Cash and Cash equivalents at the end of the year	**51,23,092.59**	**248,76,436.16**

Non-cash transactions:

Employees' end-of-service indemnity transferred to a related party (Notes 9 and 15)	1,903,307	-
Employees' end-of-service indemnity transferred from a related party (Notes 9 and 15)	-	1,666,719
	==========	==========

The accompanying notes form an integral part of these separate financial statements.

Notes to the separate financial statements
for the year ended 31 March 2017

1. Company 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, United Arab Emirates (U.A.E.) (the "Parent Company"). The ultimate controlling party is Redington (India) Limited, India.

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, U.A.E.

The Establishment has investments in the below subsidiary:

Name of entity	*Place of incorporation*	*Date of incorporation*	*Percentage of ownership Interest*	*Principal activity*
CDW Trading International FZE	Dubai, U.A.E.	5 July 2015	100%	Trading of information technology and electronic products.

These financial statements present the separate financial statements of the Establishment. The Establishment's investment in a subsidiary is carried at cost. Further, the 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 (IND AS)

2.1 New and revised IND ASs applied with no material effect on the financial statements

The following new and revised IND ASs, which became effective for annual periods beginning on or after 1 January 2016, have been adopted in these financial statements. The application of these revised IND ASs 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.

- IND AS 114 *Regulatory Deferral Accounts*
- Amendments to IND AS 1 *Presentation of Financial Statements* relating to Disclosure initiative
- Amendments to IND AS 111 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 41 *Agriculture*: Bearer Plants
- Amendments to IND AS 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
- Amendments to IND AS 110 *Consolidated Financial Statements*, IND AS 112 *Disclosure of Interests in Other Entities* and IND AS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities
- Annual Improvements to IND ASs 2012 - 2014 Cycle covering amendments to IND AS 105, IND AS 107, IND AS 19 and IND AS 34

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective

The Establishment has not yet applied the following new and revised IND ASs that have been issued but are not yet effective:

New and revised IND ASs	***Effective for annual periods beginning on or after***
Annual Improvements to IND AS Standards 2014 - 2016 Cycle amending IND AS101, IND AS 112 and IND AS 28	The amendments to IND AS 101 and IND AS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IND AS 1 12 for annual periods beginning on or after 1 January 2017
Amendments to IND AS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses	1 January 2017
Amendments to IND AS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	1 January 2017
IFRIC 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
The interpretation addresses foreign currency transactions or parts of transactions where: ▪ there is consideration that is denominated or priced in a foreign currency; ▪ the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and ▪ the prepayment asset or deferred income liability is non-monetary.	
Amendments to IND AS 102 *Share Based Payment* regarding classification and measurement of share based payment transactions	1 January 2018
Amendments to IND AS 104 *Insurance Contracts*: Relating to the different effective dates of IND AS 109 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IND AS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	1 January 2018

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND Ass	***Effective for annual periods beginning on or after***
Amendments to IND AS 107 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IND AS 109	When IND AS 109 is first applied
IND AS 107 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IND AS 109	When IND AS 109 is first applied
IND AS 109 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014)	1 January 2018

IND AS 109 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IND AS 109 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for de-recognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IND AS 109 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.

A finalised version of IND AS 109 which contains accounting requirements for financial instruments, replacing IND AS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- ***Classification and measurement:*** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IND AS 109 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IND AS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- ***Impairment:*** The 2014 version of IND AS 109 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised
- ***Hedge accounting:*** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- ***Derecognition:*** The requirements for the derecognition of financial assets and liabilities are carried forward from IND AS 39.

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND Ass	***Effective for annual periods beginning on or after***
IND AS 115 *Revenue from Contracts with Customers*	1 January 2018

In May 2014, IND AS 115 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 *Revenue*, IND AS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IND AS 115 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 IND AS 115, 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 IND AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 115.

Amendments to IND AS 115 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018
IND AS 116 *Leases*	1 January 2019

IND AS 116 specifies how an IND AS 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 IND AS 116's approach to lessor accounting substantially unchanged from its predecessor, IND AS 17.

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND Ass	***Effective for annual periods beginning on or after***
Amendments to IND AS 110 *Consolidated Financial Statements* and IND AS 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 Establishment's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IND AS 109, IND AS 115 and IND AS 116 (*), may have no material impact on the financial statements of the Establishment in the period of initial application.

Management anticipates that IND AS 115 and IND AS 109 will be adopted in the Establishment's financial statements for the annual period beginning 1 January 2018 and that IND AS 116 will be adopted in the Establishment's financial statements for the annual period beginning 1 January 2019. The application of IND AS 115 and IND AS 109 may have significant impact on amounts reported and disclosures made in the Establishment's financial statements in respect of revenue from contracts with customers and the Establishment's financial assets and financial liabilities and the application of IND AS 116 may have significant impact on amounts reported and disclosures made in the Establishment's financial statements in respect of its 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. Significant accounting policies

Statement of compliance

The separate financial statements are prepared in accordance with IND AS.

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.

The U.A.E. Federal Law No. (2) of 2015 ("Companies Law") has come into force on 1 July 2015. The Company has 24 months from the effective date of the Companies Law to comply with its provisions (the "transitional provision") and the Company has availed the transitional provision.

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. Cost is calculated using weighted average cost method. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

3. Significant accounting policies (continued)

Investment in a subsidiary (accounted under Cost Method)

Investment in a subsidiary is accounted in these separate financial statements of the Establishment using the "cost method" in accordance with IND AS 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.

Investment in an associate (accounted under Cost Method)

Investment in an associate, where the Company has the ability to exercise significant influence since date of acquisition, is accounted in these separate financial statements of the Establishment using the "cost method" in accordance with IND AS 27 *Separate Financial Statements.* The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other companies, are considered when assessing whether a company has significant influence. If the conversion or the potential voting rights results to significant influence, equity accounting is applied from the date on which the investee becomes an associate.

The Establishment's reporting date and that of its associate are identical and the associate's accounting policies conform to those used by the Establishment for like transactions and events in similar circumstances. Where necessary, adjustments are made to bring such accounting policies in line with those of the Establishment.

The Establishment determines whether it is necessary to recognize an additional impairment loss on its investment in the associate. The Establishment determines at each end of reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Establishment calculates the amount of impairment as the difference between the recoverable amount of the investment in the associate and its carrying value and recognizes the same in the separate statement of profit or loss and other comprehensive income.

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 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.

3. Significant accounting policies (continued)

Intangible asset

Cost of computer software purchased is amortised using the straight-line method over its estimated useful life of 3 years.

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 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.

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, spare parts management and maintenance services and is recognized when the service is rendered.

3. Significant accounting policies (continued)

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 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 controlling party, Redington (India) Limited, to employees under the Establishment'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 separate 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.

3. 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 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 and other advances), cash and cash equivalents 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.

3. Significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

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.

3. Significant accounting policies (continued)

Financial instruments (continued)

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 of the Establishment's financial liabilities 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.

De-recognition 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 judgements and key sources of estimation uncertainty

Critical accounting judgements in applying the Establishment's accounting policies

The following are the critical judgements (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 separate financial statements, and that have the most significant effect on the amounts recognized in the separate financial statements.

Revenue recognition

Management has considered the detailed criteria for the recognition of revenue from the sale of goods set out in IND AS 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.

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical accounting judgements in applying the Establishment's accounting policies

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 therefore 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 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

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 and 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 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.

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 deemed immaterial.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

5. Property and equipment

Description	Furniture & Fixtures	Office Equipments	Computers	Total
Cost				
As at 01.04.16	48,82,174	38,77,215	52,41,517	140,00,906
Additions	30,609	3,40,908	60,835	4,32,352
Assets of Subsidiaries acquired	-	-	-	-
Disposal	16,91,196	30,82,940	47,68,649	95,42,786
Translation adjustments	52,208	41,461	56,050	1,49,719
As at 31.03.17	**32,73,794**	**11,76,644**	**5,89,753**	**50,40,191**
Accumulated Depreciations				
As at 01.04.16	41,55,371	26,81,256	52,26,131	120,62,759
Additions	2,93,327	3,65,939	17,829	6,77,095
Assets of subsidiaries acquired	-	-	-	-
Disposals	12,42,073	24,82,668	47,68,649	84,93,390
Disposal of Assets of EA				-
Translation adjustments	44,436	28,672	55,886	1,28,994
As at 31.03.17	**32,51,061**	**5,93,198**	**5,31,197**	**43,75,456**
Carrying Amount				
As at 01.04.16	**7,26,803**	**11,95,958**	**15,386**	**19,38,147**
As at 31.03.17	**22,733**	**5,83,445**	**58,556**	**6,64,735**

6. Intangible asset

Particulars	Software	Total
Cost		
As at 01.04.16	4,38,672.00	4,38,672.00
Additions	-	-
Assets acquired on acquisition	-	-
Disposals	-	-
Translation adjustment	4,690.95	4,690.95
As at 31.03.17	**4,43,362.95**	**4,43,362.95**
Accumulated Depreciation		
As at 01.04.16	12,409.80	12,409.80
Additions	1,47,793.73	1,47,793.73
Disposals	-	-
Translation adjustment	132.70	132.70
As at 31.03.17	**1,60,336.23**	**1,60,336.23**
Carrying Amount		
As at 01.04.16	**4,26,262.20**	**4,26,262.20**
As at 31.03.17	**2,83,026.72**	**2,83,026.72**

7. Investment in a subsidiary

	31-Mar-17	31-Mar-16
	INR	INR
Balance at the beginning of the year	18,230	-
Investments made during the year	-	18,038
Balance at the end of the year	**18,230**	**18,038**

As at 31 March 2016, the Establishment established a wholly-owned subsidiary, CDW Trading International FZE, registered at Dubai Airport Free Zone Authority, Dubai, United Arab Emirates. The subsidiary was established on 5 July 2015 and is primarily engaged in the trading of information technology and electronic products.

8. Investment in an associate

During the year, the Establishment paid INR 88,34,627 (SAR 4.9 million) for the purchase of 4,900 shares, representing 49% of the share capital, of Saudi Pro Connect Company, a newly incorporated entity registered at Riyadh, Saudi Arabia, on 5 February 2017. The associate is primarily engaged in sea cargo services, loading and unloading services, goods packing, containers in ports, stores and warehouse management.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

8. Investment in an associate (continued)

The summarised financial information represents the unaudited balances of the Establishment's associate as at 31 March 2017 and for the period from 5 February 2017 (date of incorporation) to 31 March 2017, is as follows:

	INR
Statement of financial position	
Current assets	1,80,29,850
Equity	**(**1,80.29,850**)**
Cost of the investment	**88,34,627**

The Establishment's associate does not have a profit or a loss for the period ended 31 March 2017 as it has not traded.

9. Related party transactions

The Establishment enters into transactions with companies and entities that fall within the definition of a related party as contained in IND AS 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 were as follows:

	31-Mar-17 INR	**31-Mar-16 INR**
Due from related parties		
Parent Company	2301,92,806	-
Entities under common control/ownership	3755,30,117	10813,89,034
	60,57,22,923	**10813,89,034**
Due to related parties		
Parent Company	-	1788,32,613
Entities under common control/ownership	57,86,433	5915,50,401
	57,86,433.46	**7703,83,013.89**

The following is a summary of transactions with related parties, which are included in the separate financial statements:

Trasaction with releted party	**31-Mar-17**	**31-Mar-16**
Purchases from Parent Company	81807,19,418	36391,59,528
Purchases from entities under common control	546,70,517	1876,86,843
Rebates received from Parent Company	5305,81,945	4942,52,680
Sales to Parent Company	4132,34,199	4467,45,693
Sales to entities under common control	4126,57,098	4479,43,780
Employees' end-of-service indemnity transferred to a related	-	-
party (Note 15)	19,03,307	-
Employees' end-of-service indemnity transferred from a relate	-	-
party (Note 15)	-	16,66,773
Total	**95937,66,483.75**	**52174,55,298.41**

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

9. Related party transactions (continued)

Compensation of key management personnel

The Establishment is managed by employees of its Parent Company who renders the services free of cost.

10. Inventories

Inventories		
Particulars	**31-Mar-17**	**31-Mar-16**
(a) Trading Stocks	618,070,509	621,369,743
(b) Goods In Transist	500,971	-
Total	**618,571,480**	**621,369,743**

Movement in the allowance for slow-moving inventories:

Movement of allowance of inventories		
Particulars	**31-Mar-17**	**31-Mar-16**
Balance at the beginning of the year	**203,63,742**	**148,53,874**
Allowance during the year	147,13,415	46,17,239
Balance at the end of the year	**350,77,158**	**194,71,113**

11. Trade and other receivables

Trade and other receivable		
Particulars	**31-Mar-17**	**31-Mar-16**
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	5930,14,814	8281,91,325
Considered Doubtful	-	-
Less:Allowance for doubtful debts	(172,92,978)	-
(b) Receivables from releted parties		
Redington Gulf FZE U.A.E	2301,92,806	-
Ensure Services Limited	3755,30,117	10813,89,034.05
Total Trade and other receivable	**11814,44,758.94**	**19095,80,359.54**

The average credit period on sales of goods is 32 days (2016: 32 days). No interest is charged on the past due trade receivables.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

11. Trade and other receivables (continued)

Ageing of past due but not impaired trade receivables:

Particulars	31-Dec-16	31-Dec-15
1 - 30 days	-	102,50,025.83
31 - 60 days	-	1054,07,993.44
61 - 90 days	-	340,77,707.63
Over 90 days	-	763,75,554.94
Total	**-**	**2261,11,281.83**

Movement in the allowance for doubtful debts:

	31-Mar-17 INR	31-Mar-16 INR
Balance at the beginning of the year	-	-
Allowance recognised during the year	172,92,978	-
Balance at the end of the year	172,92,978	-

In determining the recoverability of a trade receivable, the Establishment considers changes 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.

Ageing of impaired trade receivables:

	31-Mar-17 INR	31-Mar-16 INR
Overdue by:		
Over 90 days	172,92,978	-

12. Cash and cash equivalents

Cash and Cash Equivalents		
Particulars	**31-Mar-17**	**31-Mar-16**
(a) Cash on hand	91.15	18.04
(b) Balances with banks		
(i) In current accounts	52,89,965.40	248,76,418.13
Total	**52,90,056.55**	**248,76,436.16**

12a. Other current Financial assets

Particulars	31-Mar-17	31-Mar-16
Advances to suppliers and others	169,04,434.05	5,32,448.96
Deposits	43,24,283.69	14,66,412.68
Total	**212,28,717.74**	**19,98,861.64**

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

12b. Other current Assets

Particulars	31-Mar-17	31-Mar-16
Prepayments	11,15,553.70	15,91,953.68
Others	130,10,059.29	82,86,842.36
Total	**141,25,612.99**	**98,78,796.04**

13. Share capital

	31-Mar-17 INR	31-Mar-16 INR
Authorised, issued and fully paid up share capital	182,30,385	180,37,500

14. Equity-settled employee benefits reserve

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. All options are already vested.

15. Provision for employees' end-of-service indemnity

Provisions(Non-Current)		
(i) Provision for Gratuity	60,65,431.27	65,74,398.19
Total	**60,65,431.27**	**65,74,398.19**

Movement of Provision

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

Provision for employees' end-of-service indemnity		
Particular	**31-Mar-17**	**31-Mar-16**
Balance at the begi	6,574,398.19	2,927,532.84
Charge for the year	1,403,575.54	1,799,975.40
Amount paid during	(79,539.17)	(19,104.35)
Transferred to a rel	(1,903,306.85)	-
Transferred from related parties (Note 9)		1,666,773.23
Total	**5,995,127.72**	**6,375,177.11**

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.

16. Trade and other payables

Trade and other payables		
Particulars	**31-Mar-17**	**31-Mar-16**
(a) Trade Payables	496,519,200.46	613,008,153.23
Due to related parties	-	-
Redington Uganda Limited	-	178,832,613.38
Redington Gulf FZE UAE	5,786,433.46	591,550,400.51
Total Trade Payables	**502,305,633.92**	**1,383,391,167.11**

17. Revenues

Particulars	**31-Mar-17**	**31-Mar-16**
Sales	77868,70,572	37924,46,657
Service Income	15377,88,873	12075,86,074
Total	**93246,59,445**	**50000,32,731**

17a. Other Income

Other income		
Particulars	**31-Mar-17**	**31-Mar-16**
Other Non operating income	-	89,83,532
Total	**-**	**89,83,532**

18. Cost of revenues

Particular	**31-Mar-17**	**31-Mar-16**
Opening stock	6213,69,743	9326,35,603
Purchases	77383,82,462	34526,12,580
Closing stock	6185,71,480	6213,69,743
Cogs	77411,80,725	37638,78,440

19. Employee Benefits.

Particulars	31-Mar-17	31-Mar-16
Salaries	240,86,002	262,90,402
Total	**240,86,002**	**262,90,402**

20. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Rent	14,36,700	58,23,391
Repairs and Maintenance	1,08,471	59,058
Utilities	1,77,218	5,59,385
Insurance	4,48,358	62,67,456
Travelling Expenses	80,10,869	29,77,947
Warehouse handling charges	401,08,578	53,56,483
Provision for Doubtful receivables	172,92,978	-
Exchange Loss Net	98,34,144	45,65,673
Bank Charges	9,87,339	2,57,989
Miscellaneous Expenses	13450,91,010	10245,98,017
Total	**14234,95,664**	**10504,65,400**

21. 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 separate financial statements.

(b) Categories of financial instruments

Particualar	31-Mar-17	31-Mar-16
Financial assets		
Investment in a sub	18,230.38	18,037.50
Investment in an as	8,834,626.69	-
Loan and receivabl	1,204,069,158.47	1,944,210,032.70
Total	1,212,922,015.54	1,944,228,070.20

Financial liabilities	31-Mar-17	31-Mar-16
At amortized cost	525,070,717.33	1,387,696,754.44

(c) Fair values

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

The fair value of financial assets and financial liabilities approximate the carrying values as at 31 March 2017 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.

22. 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:

	31-Mar-17 INR	31-Mar-16 INR
Liabilities		
Euro	231,71,639	182,21,699
Assets		
Euro	383,99,024	280,47,483

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Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

22. Financial risk management (continued)

(a) Foreign currency risk management *(continued)*

Foreign currency sensitivity analysis

The following table details the Establishment's sensitivity to a 10% increase and decrease in the INR 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 INR strengthens 10% against the relevant currency. For a 10% weakening of the INR 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.

	31-Mar-17 INR	31-Mar-16 INR
Profit or (loss)		
Euro	15,22,748	(9,82,575)
	==========	==========

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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 11 to the separate financial statements.

(d) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with ~~the board of directors~~management, 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.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

22. Financial risk management (continued)

(d) Liquidity risk management (continued)

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	**More than 1 year INR**	**Total INR**
2017			
Non- interest bearing instruments	**5250,70,717**	-	**5250,70,717**
2016			
Non- interest bearing instruments	**13876,96,754**	-	**13876,96,754**

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:

	Less than 1 year INR	**Total INR**
2017		
Non- interest bearing instruments	**12040,69,158**	**12040,69,158**
2016		
Non- interest bearing instruments	19442,10,033	19442,10,033

23. 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 equity comprising issued capital and retained earnings and to have a zero leverage of debt financing.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

24. Reclassification

In accordance with the requirements of IND AS 1 *Presentation of Financial Statements* and IND AS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, certain items have been corrected retrospectively and accordingly balances in the separate statement of profit or loss and other comprehensive income for the prior year ended 31 March 2016, as previously reported have been restated as follows:

Reclassification	As previously Reported	Reclassification	As restated
	INR	INR	INR
Cost of revenue	51198,12,960	(3447,29,313)	47750,83,647
General and administrative	661,83,957	(299,80,818)	362,03,139
Selling and distribution	-	299,80,818	299,80,818

The reclassification pertains to re-grouping of accounts for presentation purposes.

25. Approval of the separate financial statements

The separate financial statements for the year ended 31 March 2017 were approved and signed by the Shareholder on 11 May 2017.

26. General

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

Redington Middle East (L.L.C.)
Dubai - United Arab Emirates

Reports and separate financial statements
for the year ended 31 March 2017

Redington Middle East (L.L.C.)

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MANAGER'S REPORT

The Manager has pleasure in submitting their report and the audited separate financial statements for the year ended 31 March 2017.

Incorporation and registered offices

Redington Middle East (L.L.C.) (the "Company"), a limited liability company, was incorporated in Dubai, United Arab Emirates on 27 March 2000.

The address of the registered office of the Company is P.O. Box 12816, Dubai, United Arab Emirates.

Principal activities

The principal activities of the Company are distribution of information technology products and providing hardware support and maintenance services.

Financial position and results

The financial position and results of the Company for the year ended 31 March 2017 are set out in the accompanying separate financial statements.

Shareholders and their share capital

Share capital comprises 300 authorised, issued and fully paid shares of AED 1,000 each, equivalent to AED 300,000.

Auditors

The separate financial statements for the year ended 31 March 2017 have been audited by Deloitte & Touche (M.E.) and, being eligible, offer themselves for reappointment.

Manager
14 May 2017

INDEPENDENT AUDITOR'S REPORT

The Shareholder
Redington Middle East (L.L.C.)
Dubai
United Arab Emirates

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of **Redington Middle East (L.L.C.), Dubai, United Arab Emirates** (the "Company") which comprise the statement of financial position as at 31 March 2017, 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 notes to the separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IND AS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's separate financial statements in the United Arab Emirates (U.A.E.), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Manager's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT (continued)

Responsibilities of Management for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the articles of association of the Company and U.A.E. Federal Law No. (2) of 2015, 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.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT (continued)

Report on Other Legal and Regulatory Requirements

As required by the U.A.E. Federal Law No. (2) of 2015, we report that:

i) We have obtained all the information we considered necessary for the purposes of our audit;

ii) The separate financial statements of the Company have been prepared and comply, in all material respects, with the applicable provisions of the U.A.E. Federal Law No. (2) of 2015;

iii) The Company has maintained proper books of account;

iv) the financial information included in the report of the Manager is consistent with the books of account of the Company;

v) The Company has not purchased or invested in any shares during the year ended 31 March 2017;

vi) Note 9 to the separate financial statements of the Company discloses material related party transactions and the terms under which they were conducted; and

vii) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2017 any of the applicable provisions of the U.A.E. Federal Law No. (2) of 2015 or of its Articles of Association which would materially affect its activities or its financial position as at 31 March 2017.

Deloitte & Touche (M.E.)

Cynthia Corby
Registration No. 995
11 May 2017
Dubai - United Arab Emirates

Separate statement of financial position as at 31 March 2017(In Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	6	367,64,260	343,86,546
Other Intangible assets(Software)	5	3,71,991	26,317
Non-Current Financial Assets	7	35,37,903	36,14,553
Total Non Current Assets		**406,74,154**	**380,27,415**
Current Assets			
Inventories	8	27426,38,785	23483,21,227
Financial assets			
Trade receivables	10	33207,45,281	132311,99,630
Cash and bank balances	11	2380,47,714	459,17,162
Total Current assets		**63014,31,781**	**156254,38,018**
Total Assets		**63421,05,935**	**156634,65,433**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		52,96,500	54,11,250
Other Equity			
Other reserves		482,74,220	307,57,505
Retained earnings		583,69,642	424,87,263
Equity attributable to the owners of the Company		**1119,40,362**	**786,56,018**
Non-Controlling interests		-	-
Total Equity		**1119,40,362**	**786,56,018**
Non-Current Liabilities			
Provisions	15	586,91,576	285,63,283
Total Non-current Liabilities		**586,91,576**	**285,63,283**
Current Liabilities			
Financial Liabilities			
Trade and other payables	16	61714,73,996	155562,46,132
Total Current Liabilities		**61714,73,996**	**155562,46,132**
Total Equity and Liabilities		**63421,05,935**	**156634,65,433**

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Director

The accompanying notes form an integral part of these separate financial statements.

Separate statement of profit or loss and other comprehensive income for the year ended 31 March 2017(In Indian Rupees)

Particulars	Note No.	Period ended March 31, 2017	Period ended March 31, 2016
Comprehensive Income:			
(a).Revenue from operations		496934,57,704	388591,73,449
(b)Dividend income		3241,35,218	-
(c)Other gain / (losses)	17	533,68,448	56,975
(d).Total Revenue(a+b+c)		**500709,61,370**	**388592,30,423**
e.Expenses			
Purchase of traded goods		499936,64,821	397956,48,946
Changes in inventories		(3943,17,559)	(11065,53,338)
Employee Benefits	18	2767,50,273	183,26,914
Depreciation & Amortisation		220,33,097	196,08,793
Other Expenses	19	1367,39,315	1099,20,888
Total Expenses(d)		**500348,69,948**	**388369,52,202**
Profit before Corporate social responsibility expenditure and Tax		**360,91,422**	**222,78,221**
Profit before exceptional items and tax		**360,91,422**	**222,78,221**
e.Profit before tax (c-d)		**360,91,422**	**222,78,221**
h.Profit for the Year (e-f-g)		**360,91,422**	**222,78,221**
Total Comprehensive Income for the Year attributable to (h+k)		360,91,422	222,78,221
Profit for the year attributable to the :-			
Shareholders of the Company		360,91,422	222,78,221
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		360,91,422	222,78,221

Separate statement of profit or loss and other comprehensive income for the year ended 31 March 2017(In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	360,91,422	222,78,221
Adjustments for		
Reversal of provision	531,91,942	-
Provision for employees' end-of-service indemnity	317,35,636	-
Depreciation of property and equipment	219,44,771	194,52,611
Allowance for doubtful debts	12,53,886	22,98,950
Amortisation of intangible asset	88,326	1,56,182
Gain on disposal of property and equipment	(1,76,507)	(56,975)
(Reversal of allowance)/allowance for slow-moving invento	(278,23,760)	22,61,774
Dividend income	(3241,35,218)	
Change in Working capital		
Increase in inventories	(4307,65,813)	(10443,03,347)
Decrease/(increase) in due from related parties	90112,89,525	(70690,95,441)
Decrease/(increase) in trade and other receivables	9311,74,593	(10525,53,436)
(Decrease)/increase in due to related parties	(92926,16,518)	92326,74,058
Decrease in trade and other payables	(1105,67,611)	(316,98,732)
Cash flow from operating activity	**(993,15,325)**	**814,13,865**
Employees' end-of-service indemnity paid	-	(126,46,707)
Net cash (used in)/from operating activities	(993,15,325)	687,67,158
Cash flow from investing activity		
Dividends received	3241,35,218	-
Proceeds from disposal of property and equipment	1,76,507	56,975
Purchase of intangible asset	(4,45,842)	-
Purchase of property and equipment	(251,52,936)	(268,17,205)
Net cash in investing activity	2987,12,946	(267,60,230)
Net increase in cash and cash equivalents	1993,97,621	546,53,635
Cash and Cash equivalents at the beginning of the year	459,17,162	147,62,770
Currency transalation asjustment	(72,67,068)	(234,99,243)
Cash and Cash equivalents at the end of the year	**2380,47,714**	**459,17,162**

The accompanying notes form an integral part of these separate financial statements.

Separate statement of changes in equity
for the year ended 31 March 2017(In Indian Rupees)

Particulars	Share capital	Statutory Reserve	Equity Setteled emplo	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	54,11,250	27,05,625	57,73,659	222,78,221	424,87,263	786,56,018
Profit for the year				360,91,422		360,91,422
Dividend paid				-		-
Other comprehensive income						-
Foreign currency adustment						-
Additions during the year		-		-	(28,07,077)	(28,07,077)
Deduction						-
Balance as at March 31, 2017	52,96,500	26,48,250.00	56,51,224.26	583,69,642	396,80,185	1119,40,362

The accompanying notes forIND ASm an integral part of these separate financial statements.

Notes to the separate financial statements
for the year ended 31 March 2017 (In Indian Rupees)

1. Company and operations

Redington Middle East (L.L.C.) (the "Company") is a limited liability company registered on 27 March 2000 in the Emirate of Dubai.

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 capital and exercising control over the Company. The Ultimate Parent and controlling party is Redington (India) Limited.

The principal activities of the Company are distribution of information technology products and providing hardware support and maintenance services.

The Company is operating through its main office in Dubai and its branch in Abu Dhabi. These separate financial statements include the financial position and operating results of the branch in Abu Dhabi. The Company's registered office address 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. These financial statements present the separate financial statements of the Company. The Company's investments in its subsidiaries are carried at cost. The 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 (IND AS)

2.1 New and revised IND AS applied with no material effect on the financial statements

The following new and revised IND AS, which became effective for annual periods beginning on or after 1 April 2016, have been adopted in these separate financial statements. The application of these revised IND AS 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.

- IND AS 1 14 *Regulatory Deferral Accounts*
- Amendments to IND AS 1 *Presentation of Financial Statements* relating to Disclosure initiative
- Amendments to IND AS 1 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 41 *Agriculture*: Bearer Plants
- Amendments to IND AS 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
- Amendments to IND AS 1 10 *Consolidated Financial Statements*, IND AS 1 12 *Disclosure of Interests in Other Entities* and IND AS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities
- Annual Improvements to IND AS 2012 - 2014 Cycle covering amendments to IND AS 10 5, IND AS 10 7, IND AS 19 and IND AS 34

for the year ended 31 March 2017 (continued) (In Indian Rupees)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective

The Company has not yet applied the following new and revised IND AS that have been issued but are not yet effective:

New and revised IND AS	***Effective for annual periods beginning on or after***
Annual Improvements to IND AS Standards 2014 - 2016 Cycle amending IND AS 10 1, IND AS 1 12 and IND AS 28	The amendments to IND AS 10 1 and IND AS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IND AS 1 12 for annual periods beginning on or after 1 January 2017
Amendments to IND AS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses	1 January 2017
Amendments to IND AS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	1 January 2017
The interpretation addresses foreign currency transactions or parts of transactions where: ▪ there is consideration that is denominated or priced in a foreign currency; ▪ the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and ▪ the prepayment asset or deferred income liability is non-monetary.	1 January 2018
Amendments to IND AS 10 2 *Share Based Payment* regarding classification and measurement of share based payment transactions	1 January 2018
Amendments to IND AS 10 4 *Insurance Contracts*: Relating to the different effective dates of IND AS 10 9 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IND AS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	1 January 2018

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
Amendments to IND AS107 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IND AS 109	When IND AS 10 9 is first applied
IND AS 10 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IND AS 10 9	When IND AS 10 9 is first applied
IND AS 10 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014):	1 January 2018

IND AS 10 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IND AS 10 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 IND AS 10 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.

A finalised version of IND AS 10 9 which contains accounting requirements for financial instruments, replacing IND AS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- ***Classification and measurement****:* Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IND AS 10 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IND AS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- ***Impairment****:* The 2014 version of IND AS 10 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised
- ***Hedge accounting****:* Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- ***Derecognition****:* The requirements for the derecognition of financial assets and liabilities are carried forward from IND AS 39.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	*Effective for annual periods beginning on or after*
IND AS 1 15 *Revenue from Contracts with Customers*	1 January 2018
In May 2014, IND AS 1 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 1 15 will supersede the current revenue recognition guidance including IND AS 18 *Revenue*, IND AS 11 *Construction Contracts* and the related interpretations when it becomes effective. The core principle of IND AS 1 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 IND AS 1 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 IND AS 1 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 1 15.	
Amendments to IND AS 1 15 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018
IND AS 1 16 *Leases*	1 January 2019
IND AS 1 16 specifies how an IND AS 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 IND AS 1 16’s approach to lessor accounting substantially unchanged from its predecessor, IND AS 17.	
Amendments to IND AS 1 10 *Consolidated Financial Statements* and IND AS 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

2. Application of new and revised Indian Accounting Standard (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's separate financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the separate financial statements of the Company in the year of initial application.

3. Significant accounting policies

Statement of compliance

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

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.

The U.A.E. Federal Law No. (2) of 2015 ("Companies Law") has come into force on 1 July 2015. The Company has 24 months from the effective date of the Companies Law to comply with its provisions (the "transitional provision") and the Company has availed the transitional provision.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes purchase costs and other related expenses incurred in bringing the inventories to their present condition and location. Cost is calculated using weighted average cost method. Net realisable 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 separate financial statements of the Company using the "cost method" in accordance with IND AS 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.

3. Significant accounting policies (continued)

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any recognised 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 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
Leasehold improvements	3 - 5
Office equipment	5 - 8

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 derecognised 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 recognised in profit or loss.

Intangible asset

Cost of software purchased is amortised using the straight-line method over its estimated useful life of 3 years.

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.

3. Significant accounting policies (continued)

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.

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 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.

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 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 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 separate 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 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 settlement of monetary items, and on the translation of monetary items, are included in profit or loss.

3. 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 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 recognised 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 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 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 2017 (continued) (In Indian Rupees)
3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (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 cash and cash equivalents, trade and other receivables (excluding prepayments) 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 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.

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 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.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

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 of the Company's financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including trade and other payables (excluding advances 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 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.

4. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Company's accounting policies

The following are the critical judgements (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 separate financial statements, and that have the most significant effect on the amounts recognised in the separate 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 therefore 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 IND AS 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, 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.

Provision for general risks

In addition to specific allowance for doubtful debts, management had considered it necessary to raise an allowance for other risks based on a percentage of third party sales. Such provision 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. Factors influencing this provision can relate to devaluation of currency in particular countries, unanticipated geopolitical risk which may affect recovery of inventory, cash and cash equivalents or receivables. Revisions to this provision would be required if these factors differ from estimates. Management have reassessed the factors influencing this provision and have concluded that these risks are mitigated and hence, the provision has been reversed in full.

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 ageing of the receivables and continuing credit evaluation of the customers' financial conditions. 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.

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

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.

Customer Incentive

The Company 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 whether these obligations have been met by its customers during the period of agreement. This requires management knowledge of all customers for whom these connected commitments are in place in order to ensure that the accrual is complete.

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.

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 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.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

5. Intangible asset

Particulars	Software	Total
Cost		
As at 01.04.16	7,26,839	7,26,839
Additions	4,45,842	4,45,842
Assets acquired on acquisition	-	-
Disposals	-	-
Translation adjustment	(29,485)	(29,485)
As at 31.03.17	**11,43,197**	**11,43,197**
Accumulated Depreciation		
As at 01.04.16	7,00,522	7,00,522
Additions	88,326	88,326
Disposals	-	-
Translation adjustment	(17,643)	(17,643)
As at 31.03.17	**7,71,206**	**7,71,206**
Carrying Amount		
As at 01.04.16	**26,317**	**26,317**
As at 31.03.17	**3,71,991**	**3,71,991**

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

6. Property and equipment

Description	Leasehold Improvements	Furniture & Fixtures	Office Equipments	Vehicles	Total
Cost					
As at 01.04.16	77,77,770	565,62,480	457,95,625	15,95,417	1117,31,292
Additions	-	33,83,049	217,69,887	-	251,52,936
Assets of Subsidiaries acquired	-	-	-	-	-
Disposal	-	-	4,26,500	16,12,478	20,38,977
Translation adjustments	(1,64,934)	(13,06,229)	(16,44,771)	17,061	(30,98,873)
As at 31.03.17	**76,12,836**	**586,39,299**	**654,94,242**	**-**	**1317,46,377**
Accumulated Depreciations					
As at 01.04.16	77,77,770	420,90,308	258,81,251	15,95,417	773,44,746
Additions	-	66,24,211	153,20,560	-	219,44,771
Assets of subsidiaries acquired	-	-	-	-	-
Disposals	-	-	4,26,500	-	4,26,500
Disposal of Assets of EA					-
Translation adjustments	(1,64,934)	(11,01,632)	(10,18,917)	(15,95,417)	(38,80,900)
As at 31.03.17	**76,12,836**	**476,12,887**	**397,56,394**	**-**	**949,82,117**
Carrying Amount					
As at 01.04.16	**-**	**144,72,172**	**199,14,374**	**-**	**343,86,546**
As at 31.03.17	**-**	**110,26,413**	**257,37,847**	**-**	**367,64,260**

Included in the cost of property and equipment as at 31 March 2017 are fully depreciated assets amounting to INR 6,02,29,715 (2016: INR 5,17,36,673) which are still in use.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

7. 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. The Company owns less than 50% of the equity shares but it has the power over the investee to direct its relevant activities, exposure to variable returns and the ability to use its power over the investee to affect the amount of the returns and therefore exercise effective control.

8. Inventories

Particulars	31-Mar-17	31-Mar-16
(a) Trading Stocks	27421,22,941	23478,75,286
(b) Goods In Transist	5,15,844	4,45,941
Total	**27426,38,785**	**23483,21,227**

Movement in the allowance for slow-moving inventories during the year is as follows:

Particulars	31-Mar-17	31-Mar-17
Balance at the beginning of the year	**307,83,999.51**	**291,59,584.84**
Reversal during the year	(278,23,759.91)	-
Provision during the year	-	22,61,773.71
Balance at the end of the year	**29,60,239.60**	**314,21,358.54**

9. Related party transactions

a) The Company enters into transactions with the entities and companies 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.

b) At the reporting date, balances with related parties were as follows:

Due From Related Parties		
Particulars	**31-Mar-17**	**31-Mar-16**
Entities under common ownership or common control	37,764	8916,06,432
Total	**37,764**	**8916,06,432**

Due to Related Parties		
Particulars	**31-Mar-17**	**31-Mar-16**
Parent Company	-	152817,38,181
Entities under common ownership or common control	59585,59,322	2,11,796
Total	**59585,59,322**	**152819,49,978**

Balances with related parties are all current, interest-free, unsecured and have no fixed repayment terms.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

9. Related party transactions (continued)

c) The following is a summary of transactions with related parties, which are included in the separate financial statements:

Particular	31-Mar-17	31-Mar-16
Purchases from Parent Company	49368238070	39667027372
Rebates received from Parent Company (netted off of purchases)	1574868236	1939317468
Dividend income from subsidiary	324135218	0
Purchases from entities under common control	226727720	81331554.3
Sales to entities under common control	11073720483	8116867144
Employees' end-of-service indemnity recharged to related party (Note 15)	0	6126318.889

d) Key management compensation

Key management compensation is paid by the Parent Company and is not recharged to the Company.

10. Trade and other receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	32838,69,123	43007,37,312
Considered Doubtful	-	-
Less:Allowance for doubtful debts	(32,49,579)	(23,29,020)
(c) Receivables from releted parties		
Redington Gulf FZE U.A.E	90,729	89160,39,244
Ensure Services Limited	-	-
(b) Other Trade receivables		-
Considered good	400,35,008	167,52,094
Considered doubtful		-
Less: Provision for doubtful trade receivables	-	-
Total Trade and other receivable	**33207,45,281**	**132311,99,630**

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

10. Trade and other receivables (continued)

Ageing of past due trade receivables but not impaired:

Particulars	31-Mar-17	31-Mar-16
Upto 1 month	2065,83,291	874,15,551
1 to 2 months	225,40,333	51,53,656
2 to 3 months	79,55,731	119,65,699
Over 3 months	397,26,698	1371,64,004
Total	**2768,06,054**	**2416,98,911**

Movement in the allowance for doubtful debts:

Particulars	31-Mar-17	31-Mar-16
Balance at the beginning of the year	24,87,533	-
Allowance recognised during the year	12,53,886	22,98,950
Write-off	(2,52,327)	-
CTA	56,848	1,88,583
Closing balance	**35,45,940**	**24,87,533**

In determining the recoverability of a trade receivable, the Company considers changes 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, management believes that there is no further allowance required in excess of the allowance for doubtful debts.

Ageing of impaired trade receivables:

	2017	2016
Overdue by:		
Over 90 days	**3249579**	2329020

11. Cash and cash equivalents

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	4,13,074	5,85,786
(b) Balances with banks		
(i) In current accounts	2376,34,640	453,31,376
Total	**2380,47,714**	**459,17,162**

12. Share capital

Authorised, issued and fully paid-up:

13. Statutory reserve

In accordance with the U.A.E. Federal Commercial Companies Law No. (2) of 2015, the Company has established a statutory reserve by appropriation of 10% of net profit until the reserve equals 50% of the share capital. This reserve is not available for distribution except as stipulated by the Law. No appropriation has been made for the current year as the reserve equals 50% of the share capital.

14. Equity-settled share employee benefits reserve

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 Company'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 Company 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.

The options activity is summarised below:

	2017	2016
	INR	INR
Options granted:	**Nil**	Nil
Options lapsed:	**Nil**	63,131
Options exercised:	**Nil**	Nil
Outstanding as at 31March:	**Nil**	Nil

15. Provision for employees' end-of-service indemnity

Particulars	31-Mar-17	31-Mar-16
Balance at the beginning of the year	**285,63,283.13**	**331,75,319.54**
Accruals in the year	**317,35,635.84**	-
Recharge to a related party [Note 9(c)]		
Payments in the year	-	**126,46,707.33**
Currency translation adjustment	**(16,07,343.17)**	**18,28,219.70**
Balance at December 31, 2016	**586,91,575.80**	**223,56,831.90**

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. The end-of-service indemnity expense is recorded in the books of the related party since the employees are working for the related party. The provision is recognised in the books of the Company since the employees' visa are under the Company's sponsorship.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

16. Trade and other payables

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	4,573	11,05,753
Due to related parties	-	-
Redington Uganda Limited	-	152817,38,181
Redington Gulf FZE UAE	59585,59,322	2,11,814
(b) Other Payables	2129,10,102	2731,90,383
Total Trade Payables	**6171473996**	**15556246132**

17. Other Income

Particulars	31-Mar-17	31-Mar-16
Profit on sale of Fixed Assets (net)	1,76,507	56,975
Reversal of provision for standard assets	531,91,942	-
Total	**533,68,448**	**56,975**

18. Employee Benefit Expenses

Particulars	31-Mar-17	31-Mar-16
Salaries	2767,50,273	183,26,914
Total	**2767,50,273**	**183,26,914**

19. Other Expenses.

Particulars	31-Mar-17	31-Mar-16
Rent	134,79,619	118,51,874
Freight	853,57,906	768,72,175
Repairs and Maintenance	86,777	2,00,818
Insurance	184,54,855	100,66,747
Communication	6,75,071	4,76,879
Sales Promotion Expenses	-	2,79,301
Professional Charges	17,09,791	11,72,078
Warehouse handling charges	270,52,833	61,84,291
Provision for Doubtful receivables	12,53,886	22,98,950
Security Charges	31,83,572	26,72,704
Miscellaneous Expenses	(145,14,996)	96,96,945
Total	**1367,39,315**	**1099,20,888**

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

20. Operating lease arrangements

The Company as a lessee:

Particulars	31-Mar-17	31-Mar-16
Minimum lease payments under operating lease recognised as	13054178	12006896
Total	13054178	12006896

21. 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 separate financial statements.

(b) Categories of financial instruments

Particulars	31-Mar-17	31-Mar-16
Financial Assets		
Loans and receivables (including cash and cash equivalents)	3556065845	13274919589
Investment in subsidiary	3537903	3614553
Total	3559603748	13278534142
Financial liabilities		
At amortised cost	6152211597	15520025714

(c) Fair value 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 2017.

22. Financial risk management

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 does not have any significant exposure to currency risk as most of their monetary assets are denominated in U.A.E. Dirhams or in US Dollars, on which the U.A.E. Dirham is fixed.

(b) Interest rate risk

As at 31 March 2017, the Company does not have any significant exposure to interest rate risk as there are no variable interest-bearing borrowings.

(c) 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 approved 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 in Note 10 to the separate financial statements.

(d) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, 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 financial liabilities.

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.

Particular	Less than 1 year	Total
2017		
Non- interest bearing instruments	6152211597	6152211597
2016		
Non-interest bearing instruments	15520025714	15520025714

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

22. Financial risk management (continued)

(d) Liquidity risk management (continued)

Liquidity risk tables (continued)

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:

Particular	Less than 1 year	Total
2017		
Non- interest bearing instruments	3556065845	3556065845
2016		
Non-interest bearing instruments	13274919589	13274919589

23. 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 debt and equity balance. The Company's overall strategy remains unchanged from 2016.

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.

24. Contingent liabilities

As at 31 March 2017, the Company had the following contingent liabilities:

Particular	31-Mar-17	31-Mar-16
Letter of Gurantee	43338717	31078270

25. Reclassifications

In accordance with requirements of IND AS 1 Presentation of Financial Statements and IND AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, certain items have been corrected retrospectively and accordingly balances in the statement of comprehensive income for the prior year ended 31 March 2016, as previously reported have been reclassifed as follows:

Particular	As previously reported	Reclassifications	As reclassified
Revenues	395597,30,155	(1922,78,181)	393674,51,975
Cost of sales	393874,27,694	(1922,78,181)	391951,49,513

26. Approval of separate financial statements

The separate financial statements for the year ended 31 March 2017 were approved and signed by the Director on 14 May 2017.

27. General

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

Ensure Services Arabia LLC
A Limited Liability Company
Kingdom of Saudi Arabia
Auditors' Report and Financial Statements
For the Year Ended 31 March 2017

Ensure Service Arabia LLC
A Limited Liability Company
Kingdom Of Saudi Arabia(IN Indian Rupees)

For the Year Ended 31- March 2017

Statement of Financial Position

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	8	6,72,938	82,76,464
Total Non Current Assets		**6,72,938**	**82,76,464**
Current Assets			
Inventories	5	145,28,467	399,72,860
Financial assets			
Trade receivables	4	562,61,840	2497,50,518
Cash and bank balances	3	210,64,202	97,54,509
Other financial assets	6	-	12,473
Other Current Assets	7	13,45,426	38,99,571
Total Current assets		**931,99,935**	**3033,89,932**
Total Assets		**938,72,872**	**3116,66,396**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		172,92,500	176,67,500
Other Equity			
Other reserves		556,86,472	172,55,204
Retained earnings		(41,00,212)	404,82,292
Equity attributable to the owners of the Company		**688,78,760**	**754,04,996**
Non-Controlling interests		-	-
Total Equity		**688,78,760**	**754,04,996**
Non-Current Liabilities			
Provisions	10	48,18,521	153,95,247
Total Non-current Liabilities		**48,18,521**	**153,95,247**
Current Liabilities			
Financial Liabilities			
Trade and other payables	9	201,75,592	2208,66,152
Total Current Liabilities		**201,75,592**	**2208,66,152**
Total Equity and Liabilities		**938,72,872**	**3116,66,396**

Ensure Service Arabia LLC
A Limited Liability Company
Kingdom Of Saudi Arabia(IN Indian Rupees)

For the Year Ended 31- March 2017

Statement of Comprehensive Income

Particulars	Note No.	Period ended March 31, 2017	Period ended March 31, 2016
Comprehensive Income:			
(a).Revenue from operations	13	2760,81,001	4582,57,001
(b)Other gain / (losses)	14	135,11,899	20,74,300
(c).Total Revenue(a+b)		**2895,92,900**	**4603,31,300**
d.Expenses			
Purchase of traded goods		1860,68,126	2544,86,941
Changes in inventories		254,44,393	714,39,246
Employee Benefits	15	498,65,713	914,20,393
Depreciation & Amortisation		22,40,595	32,39,375
Other Expenses	15a	310,60,089	387,59,542
Total Expenses(d)		**2946,78,916**	**4593,45,497**
Profit before Corporate social responsibility expenditure and Tax		**(50,86,016)**	**9,85,804**
Profit before exceptional items and tax		**(50,86,016)**	**9,85,804**
e.Profit before tax (c-d)		**(50,86,016)**	**9,85,804**
g.Share of Loss of Associate		-	-
h.Profit for the Year (e-f-g)		**(50,86,016)**	**9,85,804**
Total Comprehensive Income for the Year attributable to (h+k)		(50,86,016)	9,85,804
Profit for the year attributable to the :-			
Shareholders of the Company		(50,86,016)	9,85,804
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		(50,86,016)	9,85,804

Ensure Service Arabia LLC
A Limited Liability Company
Kingdom Of Saudi Arabia(IN Indian Rupees)

For the Year Ended 31- March 2017

Statement of changes in Equity

Particulars	Share capital	Statutory Reserve	Equity Setteled employees benefit reserve	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	176,67,500	88,33,750	74,35,650	9,85,804	404,82,292	754,04,996
Profit for the year				(50,86,016)		(50,86,016)
Dividend paid				-		-
Other comprehensive income						-
Foreign currency adustment						-
Additions during the year		-		-	(14,40,220)	(14,40,220)
Deduction						-
Balance as at March 31, 2017	172,92,500	86,46,250.00	72,77,825.31	(41,00,212)	390,42,072	688,78,760

Ensure Service Arabia LLC
A Limited Liability Company
Kingdom Of Saudi Arabia(IN Indian Rupees)

For the Year Ended 31- March 2017

Cash Flow Statement

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	(50,86,016)	9,85,804
Adjustments for		
Depreciation & Amortisation	22,40,595	32,39,375
Gain on Disposal of Fixed assets	(15,02,425)	(69,728)
End Of Service Benefits allocated to expenses	21,84,547	37,48,951
Change in Working capital		
Change in recievables	461,41,656	1439,55,420
Inventories	253,96,297	750,05,703
Prepaid Expenses	25,64,398	998,73,348
Releted party Net	(125,09,830)	(3107,24,598)
Trade payables	(308,96,036)	(246,30,969)
Acturals and other paybles	(108,11,480)	100,56,866
End Of Service Benefits Paid (Gratuity Paid)	(127,68,016)	(11,77,801)
Taxes paid	-	(88,17,059)
Net cash flow from operating activity	**49,53,691**	**(85,54,689)**
Cash flow from investing activity		
Capital expenditure (Purchase Of Fixed Assets)	(2,28,546)	(2,45,653)
Sale of Fixed Assets	71,59,932	69,728
Net cash in investing activity	69,31,386	(1,75,925)
Net increase in cash and cash equivalents	118,85,077	(87,30,614)
Cash and Cash equivalents at the beginning of the year	97,54,509	178,68,578
Currency transalation asjustment	(5,75,384)	6,16,544
Cash and Cash equivalents at the end of the year	**210,64,202**	**97,54,509**

Kingdom Of Saudi Arabia(IN Indian Rupees)

Notes to Accounts

1- **Formation and Nature of Business:**

Ensure Services Arabia LLC – A Limited Liability Company (referred to hereinafter as the "**Company**") was established in Riyadh under Commercial Registration No. 1010160285, dated 27 Rabia II 1421H. corresponding to 29 July 2000. The share capital of the company, amounting to SR.1000,000, is divided into 1000 units of SR.1,000 each and according to SAGIA number 102030125421 dated 08/01/1431 H.

The company's partners and their respective holdings in the capital of the company as at 31 March 2017 were as follows:

	Country of origin	Units	Share capital
Redington Gulf FZE	UAE	950	950,000
Cadensworth FZE	UAE	50	50,000
		1,000	1,000,000

The objectives of the Company are the operation and maintenance of information technology equipment and related systems and programs and training thereof. The Company has following branches:

Branches	Commercial Registration Number	Date
Jeddah	4030142153	21/01/1424
Al-Khobar	2051027893	21/04/1424

These financial statements include the assets, liabilities and results of the above commercial registrations.

2- **Significant Accounting Policies:**

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the Kingdom of Saudi Arabia. The following is a summary of significant accounting policies applied consistently by the Company in the preparation of these financial statements:

a) **Accounting Convention:**

These financial statements have been prepared under the historical cost basis using the accrual basis and going concern assumption.

b) **Use of Estimates:**

The preparation of financial statements by company's management requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and activities, actual results ultimately may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in future years affected.

c) **Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash in hand, cash at banks and short-term deposits with original maturities of three months or less.

d) **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 warranty guarantor.

e) **Provision for Obligations:**

A provision is made when the Company has a legal or constructive obligation as a result of a past even, 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.

f) **Impairment of Non-Current Assets**

The Company periodically reviews the carrying amounts of its non-current 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.

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. Impairment loss is recognized as an expense immediately.

Except for goodwill, 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 as income immediately.

g) **Operating Lease:**

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.

h) **Fixed Assets:**

Fixed assets are stated at cost less accumulated depreciation and impairment in value, if any. The cost of fixed assets less estimated residual value of fixed assets, except land, is deprecated on a straight line basis over their estimated useful lives using the following annual rates:

Leasehold improvement	20%
Office and service centre equipment	20%
Motor Vehicles	33.3%
Computers	20%
Furniture and fixtures	20%

The cost and accumulated depreciation of sold or disposed assets are eliminated from the accounts upon its sale or disposal, any resulting gains or losses are included in the statement of income.

Repairs and maintenance expenses that do not materially increase the asset's useful life or its production capacity are included in the income statement. Material improvements and replacements are capitalized when incurred. The replaced asset is eliminated from the records.

i) **Equity Settled Share Based Payments:**

Share purchase options granted by the Redington India Limited ("Holding Company") to employees under the Group's Employees Stock Option Plan and 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).

The fair value determined at the grant date of the equity-settled share based payments is expensed over the vesting period on a straight line basis, 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 recognized in the statement of income over the remaining vesting period, with a corresponding adjustment to the equity settled employee benefits reserve.

j) **Accounts Receivable:**

Accounts receivable are carried at original invoice amount less provision for doubtful debts. The provision for doubtful debts is estimated based on an analysis of the collectability of individual accounts receivable. Accounts receivable are considered uncollectible when all collection efforts are exhausted and are written-off against the provision for doubtful debts.

k) **Inventories:**

Inventory of spare parts are carried at the lower of cost or net realizable value. Cost is determined on the weighted average method. Cost of finished products and work in progress include cost of raw materials, labor and production overheads that are allocated to production on a systematic basis based on normal production capacity, in addition to other expenses incurred in bringing the inventory to its current location for its intended use.

Net realizable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. A provision is taken, when necessary, for obsolete and slow moving items.

l) **Accounts Payable and Accruals:**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

m) **Provision for Income Tax:**

The provision for income tax is measured and recognized in statement of income for each financial period pursuant to Income Tax Regulations in the Kingdom of Saudi Arabia. Income tax is paid in the financial year in which the final assessment of income tax is issued. Variances between the amount of provision for tax and the final assessment are recognized in the statement of income as changes in accounting estimates and included in the financial period in which the final assessment of tax is issued.

n) **Provision for End-of-Service Benefits:**

A provision is made for amounts payable under the Saudi Arabian Labor Regulation applicable to employees accumulated periods of service at the financial position's date and charged to the income statement.

o) **General and Administration Expenses:**

Selling and distribution expenses are those that specifically relate to the selling and distribution functions of the Company. All other expenses, except cost of revenues and finance expenses are classified as general and administrative expenses. Expenses are recognized in the income statement on the accrual basis in the period in which they are incurred. Allocations between selling, marketing and general and administrative expenses and cost of revenues, when required, are made on a consistent basis.

p) **Foreign Currency Transactions:**

Transactions in foreign currencies are translated to Saudi Riyals at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the financial position's date are translated to Saudi Riyals at the foreign exchange rates ruling at that date. Exchange differences arising on translation are recognized in the income statements as gains or losses.

Kingdom Of Saudi Arabia(IN Indian Rupees)

3. Cash and Cash Equivalent

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	3,50,173	9,95,051
(b) Balances with banks	-	-
(i) In current accounts	207,14,029	87,59,458
Total	**210,64,202**	**97,54,509**

4. Trade Receivable

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	340,95,207	803,03,399
Less:Allowance for doubtful debts	(1,83,819)	-
(c) Receivables from releted parties	223,50,452	1694,47,120
Total Trade and other receivable	**562,61,840**	**2497,50,518**

Movement in Provision for doubtful receivable is as follows

Particulars	31-Mar-17	31-Mar-16
Opening balance	-	91,06,577
Charge for the year	1,83,819	-
Collections	-	(95,48,685)
CTA	20,969	4,42,109
Closing balance	**2,04,788**	-

5. Inventories

Particulars	31-Mar-17	31-Mar-16
(a) Trading Stocks	122,63,979	257,19,887
(b) Goods In Transist	22,64,487	142,52,973
Total	**14528467**	**399,72,860**

6. Other Financial Assets

Particulars	31-Mar-17	31-Mar-16
Advances to suppliers and others		12,473
Total		**12,473**

7. Other Current Assets

Particulars	31-Mar-17	31-Mar-16
Prepaid Insurance	5,16,008	13,74,567
Employees Receivable	84,802	1,29,573
Prepayments	-	13,87,676
Others	7,44,615	10,07,754
Total	**13,45,426**	**38,99,571**

Kingdom Of Saudi Arabia(IN Indian Rupees)

8. Fixed Assets

Description	Lease Hold Improvement	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost						
As at 01.04.16	267,70,644	75,08,599	106,37,496	9,16,201	46,87,011	505,19,951
Additions	83,919	1,34,807	9,820	-	-	2,28,546
Assets of Subsidiaries acquired		-	-	-	-	-
Disposal	270,55,044	72,41,227	88,56,550	5,38,370	12,05,225	448,96,417
Translation adjustments	2,81,756	64,580	53,012	(2,480)	(61,502)	3,35,366
As at 31.03.17	**81,275**	**4,66,759**	**18,43,778**	**3,75,351**	**34,20,284**	**61,87,447**
Accumulated Depreciations						
As at 01.04.16	209,96,693	69,63,380	86,83,841	9,12,562	46,87,011	422,43,487
Additions	13,79,135	1,84,623	6,73,123	3,714	-	22,40,595
Assets of subsidiaries acquired		-	-	-	-	-
Disposals	225,89,872	70,55,015	78,50,428	5,38,370	12,05,225	392,38,910
Disposal of Assets of EA						-
Translation adjustments	2,22,776	68,714	41,869	(2,520)	(61,502)	2,69,337
As at 31.03.17	**8,733**	**1,61,702**	**15,48,405**	**3,75,386**	**34,20,284**	**55,14,509**
Carrying Amount						
As at 01.04.16	**57,73,951**	**5,45,219**	**19,53,654**	**3,640**	**-**	**82,76,464**
As at 31.03.17	**72,542**	**3,05,057**	**2,95,373**	**(35)**	**-**	**6,72,938**

9. Accounts Payable

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	33,48,243	339,92,111
(b) Due to related parties	-	1589,83,949
(c) Other Payables	168,27,349	278,90,092
Total Trade Payables	**201,75,592**	**2208,66,152**

10. Provision For End of Service Benefit

Particulars	31-Dec-16	31-Dec-15
Balance at Beginning of the Year	**153,95,247**	**120,34,721**
Add: Accruals in the year	**21,84,547**	**37,48,951**
Less: Payments in the year	**(127,68,016)**	**(11,77,801)**
Currency translation adjustment	**6,759.18**	**7,89,376.51**
Balance at End of the Year	**48,18,538**	**153,95,247**

11. Related Party disclosure

Due From Related Parties		
Particulars	**31-Mar-17**	**31-Mar-16**
Ensure Middle East Trading LLC	-	-
Ensure Services Baharin S.P.C	-	46,006
Redington Qatar W.L.L	-	12,915
Ensure Gulf FZE UAE	223,50,452	1693,88,199
Total	**223,50,452**	**1694,47,120**

Kingdom Of Saudi Arabia(IN Indian Rupees)

Particulars	31-Dec-16	31-Dec-15
Cadensworth FZE	-	1416,20,613
Ensure Gulf FZE	-	-
Redington Egypt	-	3,13,015
Redington Saudi Arabia Distribution Company	-	170,50,321
Total	-	**1589,83,949**

The significant transaction between related parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Revenues	-	2092,64,824
Cost of Revenues	-	1376,97,580
Purchase of spare parts	-	743,53,356
Sale of Spare Parts	-	82,684
Total	-	**4213,98,443**

Kingdom Of Saudi Arabia(IN Indian Rupees)

12. Equity Settled Employee Benefit Reserve

The holding company, Redington India Limited has granted options under the Employees Stock Option Plan' 2008. Under the terms of this plan, the holding company has granted options to employees of the Company to purchase equity shares of the holding company at an exercise price of Indian Rupee (INR) 348.05 (equivalent to SR.27.84). 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 (equivalent SR.10.40) on 28 January 2009.

Options are granted at the discretion of the management of the 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.

No charge was recorded in 2016 as all shares have been vested by 2014. The fair values of options granted, being SR. 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 options 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 2010	28 February 2009
	INR	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:

	2017	2016
	SR.	SR.
Options lapsed	--	--
Options exercised	--	--
Outstanding as at 31 March	--	--

13. Revenue From Operation

Particulars	31-Mar-17	31-Mar-16
Sales	2760,81,001	4582,57,001
Total	**2760,81,001**	**4582,57,001**

14. Other Income

Particulars	31-Mar-17	31-Mar-16
Other Non operating income	135,11,899	20,74,300
Total	**135,11,899**	**20,74,300**

15. Employee Benefit Expenses

Particulars	31-Mar-17	31-Mar-16
Salaries and Bonus	498,65,713	914,20,393
Total	**498,65,713**	**914,20,393**

15a.Other Expenses

Particulars	31-Mar-17	31-Mar-16
Rent	60,11,504	100,43,095
Freight	22,72,073	32,38,347
Commercial Taxes	29,18,021	43,08,661
Utilities	21,75,477	20,76,792
Communication	62,30,016	93,45,671
Travel	34,86,780	55,88,405
Professional Charges	25,16,600	27,29,050
Miscellaneous Expenses	54,49,619	14,29,521
Total	**310,60,089**	**387,59,542**

16.The figures in the financials are given in Indian Rupees

18.

Redington Africa Distribution FZE
Jebel Ali Free Zone
Dubai - United Arab Emirates

Report and financial statements
for the year ended 31 March 2017

Redington Africa Distribution FZE

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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 **Redington Africa Distribution FZE, Jebel Ali Free Zone, Dubai, United Arab Emirates** (the "Establishment"), which comprise the statement of financial position as at 31 March 2017, 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, notes to the financial statements and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Establishment as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IND AS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

During the year ended 31 March 2017, the Establishment has not traded with either third parties or related parties. The Shareholder assessed that it will not trade in the future. However, the Shareholder intends to keep the Establishment in existence for a foreseeable future.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Establishment's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

Cont'd…

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Establishment to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, we report that the financial statements of the Establishment comply, in all material respects, with the applicable provisions of the Jebel Ali Free Zone Companies Implementing Regulations 2016.

Deloitte & Touche (M.E.)

Cynthia Corby
Registration No. 995
………… 2017
Dubai, United Arab Emirates

Statement of financial position
as at 31 March 2017(In indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Current Assets			
Financial assets			
(i) Trade receivables	5	12528,09,199	12799,51,624
Other Current Assets	6	131,33,201	134,17,736
Total Current assets		**12659,42,400**	**12933,69,360**
Total Assets		**12659,42,400**	**12933,69,360**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		176,55,000	180,37,500
Other Equity			
Other reserves		12483,84,471	(97,071)
Retained earnings		(97,071)	12754,28,930
Equity attributable to the owners of the Company		**12659,42,400**	**12933,69,360**
Non-Controlling interests		-	-
Total Equity		**12659,42,400**	**12933,69,360**
Total Equity and Liabilities		**12659,42,400**	**12933,69,360**

....
Director

The accompanying notes form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income for the year ended 31 March 2017(In indian rupees)

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations		-	3739,16,562
(c) Total Revenue(a+b)		**-**	**3739,16,562**
(d) Expenses			
Purchase of traded goods		-	3739,16,366
Other Expenses	8	-	97,267
Total Expenses(d)		**-**	**3740,13,632**
Profit before Corporate social responsibility expenditure and Tax		-	(97,071)
Profit before exceptional items and tax		-	(97,071)
e.Profit before tax (c-d)		**-**	**(97,071)**
h.Profit for the Year (e-f-g)		**-**	**(97,071)**
Total Comprehensive Income for the Year attributable to (h+k)		-	(97,071)
Profit for the year attributable to the :-			
Shareholders of the Company		-	(97,071)
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		-	(97,071)

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
for the year ended 31 March 2017(In Indian Rupees)

Particulars	Share capital	Retained earnings	Foreign currency transalation reserve	Total Equity
As at April 2016	180,37,500	(97,071)	12754,28,930	12933,69,360
Profit for the year		-		-
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	(274,26,959)	(274,26,959)
Deduction				-
Balance as at March 31, 2017	176,55,000	(97,071)	12480,01,971	12659,42,400

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
for the year ended 31 March 2017(In Indian Rupees)

There are no closing cash balance

The accompanying notes form an integral part of these financial statements

Notes to the financial statements
for the year ended 31 March 2017 (In Indian Rupees)

1. Establishment and operations

Redington Africa Distribution FZE (the "Establishment"), is registered on 18 December 2005 in Jebel Ali Free Zone as a Free Zone Establishment with limited liability.

Redington Africa Distribution FZE is a wholly owned subsidiary of Redington Gulf FZE, Dubai United Arab Emirates (U.A.E) (the "Parent Company"). The ultimate controlling party is Redington (India) Limited, India.

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 17266, Jebel Ali Free Zone, Dubai, U.A.E.

Beginning 1 February 2014, management has realigned the business strategy of the Establishment. All purchases of inventories and sales to the Nigerian market (including to Redington Nigeria, a related party) will be handled by the Parent Company. The Establishment will continue to sell to other African markets. However, purchase of inventories will be on a just-in-time basis and sales will be on a back-to-back order basis. The customer portfolio of the Establishment was reduced to the top six customers who will then re-sell to the local resellers in the region.

Further, management is exploring new market opportunities in Senegal and in other West African countries which will be handled by the Establishment. On April 2014, the Parent Company also entered into new contracts to distribute new brands in the African region.

In the previous year, the sales of the Establishment are generated from related parties. The Establishment directly purchases inventories from third party suppliers. However, payments are made by the Parent Company to the suppliers on behalf of the Establishment.

During the year ended 31 March 2017, the Establishment has not traded with either third parties or related parties. The Shareholder assessed that it will not trade in the future. However, the Shareholder intends to keep the Establishment in existence for a foreseeable future.

2. Application of new and revised International Financial Reporting Standards (IND AS)

2.1 New and revised IND AS applied with no material effect on the financial statements

The following new and revised IND AS, which became effective for annual periods beginning on or after 1 January 2016, have been adopted in these financial statements. The application of these revised IND ASs 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.

- IND AS 114 *Regulatory Deferral Accounts*.
- Amendments to IND AS 1 *Presentation of Financial Statements* relating to Disclosure initiative.
- Amendments to IND AS 111 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations.
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation.
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 41 *Agriculture*: Bearer Plants.
- Amendments to IND AS 27 *Financial Statements* relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in financial statements.
- Amendments to IND AS 110 *Consolidated Financial Statements*, IND AS 112 *Disclosure of Interests in Other Entities* and IND AS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities.
- Annual Improvements to IND ASs 2012 - 2014 Cycle covering amendments to IND AS 105, IND AS 107, IND AS 19 and IND AS 34.

Notes to the financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

2 Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective

The Establishment has not yet applied the following new and revised IND AS that have been issued but are not yet effective:

New and revised IND AS	***Effective for annual periods beginning on or after***
Annual Improvements to IND AS Standards 2014 - 2016 Cycle amending IND AS 101, IND AS 112 and IND AS 28.	The amendments to IND AS 101 and IND AS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IND AS 112 for annual periods beginning on or after 1 January 2017
Amendments to IND AS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses.	1 January 2017
Amendments to IND AS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	1 January 2017
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: ▪ there is consideration that is denominated or priced in a foreign currency; ▪ the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and ▪ the prepayment asset or deferred income liability is non-monetary.	1 January 2018
Amendments to IND AS 102 *Share Based Payment* regarding classification and measurement of share based payment transactions.	1 January 2018
Amendments to IND AS 104 *Insurance Contracts*: Relating to the different effective dates of IND AS 109 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IND AS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	1 January 2018

Notes to the financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
Amendments to IND AS 107 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IND AS 109.	When IND AS 109 is first applied
IND AS 107 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IND AS 109.	When IND AS 109 is first applied
IND AS 109 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014)	1 January 2018

IND AS 109 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IND AS 109 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 IND AS 109 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.

A finalised version of IND AS 109 which contains accounting requirements for financial instruments, replacing IND AS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- ***Classification and measurement:*** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IND AS 109 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IND AS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

- ***Impairment:*** The 2014 version of IND AS 109 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

- ***Hedge accounting:*** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

- ***Derecognition:*** The requirements for the derecognition of financial assets and liabilities are carried forward from IND AS 39.

Notes to the financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
IND AS 115 *Revenue from Contracts with Customers*	1 January 2018

In May 2014, IND AS 115 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 *Revenue,* IND AS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IND AS 115 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 IND AS 115, 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 IND AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 115.

Amendments to IND AS 115 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018
IND AS 116 *Leases*	1 January 2019

IND AS 116 specifies how an IND AS 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 IND AS 116's approach to lessor accounting substantially unchanged from its predecessor, IND AS 17.

Amendments to IND AS 110 *Consolidated Financial Statements* and IND AS 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

Notes to the financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

Management anticipates that these new standards, interpretations and amendments will be adopted in the Establishment's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Establishment in the period of initial application.

3. Significant accounting policies

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IND AS).

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.

The U.A.E. Federal Law No. (2) of 2015 ("Companies Law") has come into force on 1 July 2015. The Company has 24 months from the effective date of the Companies Law to comply with its provisions (the "transitional provision") and the Company has availed the transitional provision.

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.

3. Significant accounting policies (continued)

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 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, 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 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.

Notes to the financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

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 other receivables and amounts due from Parent Company 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.

Notes to the financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)
3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (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 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 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 of the Establishment's financial liabilities are classified as other financial liabilities.

Notes to the financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

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.

4. Critical accounting judgements

Critical judgements in applying the Establishment's accounting policies

The following are the critical judgments that the 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 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 IND AS 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.

5. Trade and Other Receivable

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 IND AS 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:

Due from Parent Company

Particulars	31-Mar-17	31-Mar-16
Redington Gulf FZE	12528,09,199	12799,51,624
Total	**12528,09,199**	**12799,51,624**

c) Due from Parent Company balance represents unsecured, interest-free funds without any fixed repayment terms.

Notes to the financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

5. Related party transactions (continued)

d) The following is a summary of transactions with related parties, which are included in the financial statements:

Particular	31-Mar-17	31-Mar-16
Sales to entities under common control		3788,07,395

f) Key management remuneration and gratuity is paid by the Parent Company and is not recharged to the Establishment.

6. **Other receivables**

Particulars	31-Mar-17	31-Mar-16
Deposits	131,33,201	134,17,736
Total	**131,33,201**	**134,17,735.50**

The Establishment has no trade receivables as at 31 March 2017 and 2016.

7. Share capital

Fully Authorised and paid up

========== ==========

8. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Exchange Loss Net	-	3,792
Bank Charges	-	93,474
Total	**-**	**97,267**

Notes to the financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

9. 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 and equity instrument are disclosed in Note 3 to the financial statements.

(b) *Categories of financial instruments*

Financial Assets	31-Mar-17	31-Mar-16
Loans and receivables	1265942400	1293369360

(c) *Fair value of financial instruments*

The fair values of financial assets approximate the carrying values as at 31 March 2017 and 31 March 2016 as these assets are substantially due to be realized within a period of one year in the normal course of the Establishment's business.

10. 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.

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*

There are no significant exchange rate risks at the end of the reporting period as substantially all the financial assets are denominated in Arab Emirates Dirhams or U.S. Dollars to which the Dirham is fixed.

(b) 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 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. As at 31 March 2017 and 2016, the Establishment deals mainly with related parties, and hence the credit risk is limited.

Notes to the financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

11. Financial risk management (continued)

(c) ***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.

Liquidity risk tables

The following tables detail 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.

Particulars	Less than one year	Total
2017		
Non Interest bearing Instruments	1265934	1265934
2016		
Non Interest bearing Instruments	1293361	1293361

12. 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.

13. Contingent Liabilities

Paticulars	31-Mar-17	31-Mar-16
Letter of Guarantees	7215000	7215000
CTA	-153000	0
Total	7062000	7215000

14. Approval of the financial statements

The financial statements for the year ended 31 March 2017 were approved and signed by the Directors

15 General

Financials are presented in Indian Rupees

REDINGTON QATARCOMPANY W.L.L.
DOHA - QATAR

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
MARCH 31, 2017

QR. 21110

INDEPENDENT AUDITOR'S REPORT

To the Partners
Redington Qatar Company W.L.L.
Doha - Qatar

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Redington Qatar Company W.L.L. ("the Company"), which comprise the statement of financial position as at March 31, 2017, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IND ASs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's financial statements in the State of Qatar**,** and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governancefor the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IND AS and applicable provisions of Qatar Commercial Companies Law, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'suse of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements(continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, as required by the Qatar Commercial Companies' Law, we report the following:

- We are also in the opinion that proper books of account were maintained by the Company andphysical inventory verification has been duly carried out.
- We obtained all the information and explanations which we considered necessary for our audit.
- To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies' Law and the Company's Articles of Associations were committed during the year which would materially affect the Company's activities or its financial position.

REDINGTON QATAR COMPANY W.L.L.

STATEMENT OF FINANCIAL POSITION(In Indian Rupees)

As at March 31, 2017

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	9	120,53,701	158,61,801
Other Non Current Assets		-	4,31,421.65
Total Non Current Assets		**120,53,701**	**162,93,222**
Current Assets			
Inventories	8	77,47,509	171,68,857
Financial assets			
(i) Trade receivables	6	633,94,931	4869,89,284
(ii) Cash and bank balances	5	176,50,206	547,53,213
Total Current assets		**887,92,647**	**5589,11,354**
Total Assets		**1008,46,348**	**5752,04,576**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		35,61,500	36,39,000
Other Equity			
Other reserves		176,77,811	319,26,120
Retained earnings		248,02,764	3327,70,184
Equity attributable to the owners of the Company		**460,42,075**	**3683,35,304**
Non-Controlling interests		-	-
Total Equity		**460,42,075**	**3683,35,304**
Non-Current Liabilities			
Provisions	11	88,52,678	71,40,482
Total Non-current Liabilities		**88,52,678**	**71,40,482**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	10	343,42,868	1898,01,015
Other Current Liablities	10a	116,08,727	99,27,774
Total Current Liabilities		**459,51,595**	**1997,28,789**
Total Equity and Liabilities		**1008,46,348**	**5752,04,576**

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

REDINGTON QATAR COMPANY W.L.L.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended March 31, 2017(In Indian Rupees)

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations		3127,79,848	3011,90,857
(b)Other gain / (losses)		31,33,369	93,86,223
(c) Total Revenue(a+b)		**3159,13,217**	**3105,77,080**
(d) Expenses			
Purchase of traded goods		2031,30,683	2006,28,042
Changes in inventories		94,21,348	(19,21,734)
Employee Benefits	13	413,80,941	391,17,114
Finance Costs		-	-
Depreciation & Amortisation		42,10,973	32,72,728
Other Expenses	13a	500,71,810	505,20,522
Total Expenses(d)		**3082,15,754**	**2916,16,671**
Profit before Corporate social responsibility expenditure and Tax		76,97,463	189,60,409
Profit before exceptional items and tax		76,97,463	189,60,409
e.Profit before tax (c-d)		**76,97,463**	**189,60,409**
Income Tax expense:			
Current tax		(14,12,870)	(4,38,928)
h.Profit for the Year (e-f-g)		**62,84,593**	**185,21,481**
Total Comprehensive Income for the Year attributable to (h+k)		62,84,593	185,21,481
Profit for the year attributable to the :-			
Shareholders of the Company		62,84,593	185,21,481
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		62,84,593	185,21,481

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

REDINGTON QATAR COMPANY W.L.L.

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2017(In Indian Rupees)

Particulars	Share capital	Statutory Reserve	Partner Current account	Retained earnings	Foreign currency transalati	Total Equity
As at April 2016	36,39,000	18,19,500	115,85,139	185,21,481	3327,70,184	3683,35,304
Profit for the year				62,84,593		62,84,593
Dividend paid				(3,310)		(3,310)
Other comprehensive income						-
Foreign currency adustment						-
Additions during the year		-		-	(3285,74,512)	(3285,74,512)
Deduction						-
Balance as at March 31, 2017	35,61,500	17,80,750.00	113,38,409	248,02,764	41,95,672	460,42,075

REDINGTON QATAR COMPANY W.L.L.

STATEMENT OFCASH FLOWS

For the year ended March 31, 2017(In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	76,97,463	189,60,409
Adjustments for		
Depreciation of property and equipment	42,10,973	32,72,728
Provision for doubtful accounts and direct write-off	21,83,966	4,09,511
Unrealised foreign exchange gain	-	(97,49,865)
Provision for allowance for slow moving inventory	-	4,42,664
Provision for employees' end of service benefits	19,96,023	20,34,318
Loss on disposal of property and equipment	-	4,91,531
Change in Working capital		
Trade and other receivables	302,40,881	202,76,727
Due from related parties	3942,65,887	30831,99,276
Inventories	93,50,846	(17,23,925)
Trade and other payables	57,79,496	(128,78,110)
Due to related parties	(1609,41,597)	(30578,69,288)
Cash Generated from Operations	**2947,83,938**	**468,65,977**
Dividend paid	(3309,81,923)	-
Income tax paid	(6,47,621)	(16,79,691)
Payment for employees end of service benefits	(70,996)	(24,94,708)
Net Cash generated from operating activities	(369,16,602)	426,91,578
Cash flow from investing activity		
Purchase of property and equipment	(6,27,579)	(43,70,192)
Advances for fixed assets	4,35,995	(3,59,907)
Net cash in investing activity	(6,27,579)	(43,70,192)
Net increase in cash and cash equivalents	(375,44,181)	383,21,386
Cash and Cash equivalents at the beginning of the year	547,53,213	156,53,497
Currency transalation asjustment	4,41,174	7,78,330
Cash and Cash equivalents at the end of the year	**176,50,206**	**547,53,213**

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

1. INCORPORATION AND ACTIVITIES

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 %	Profit sharing
Erahma Nasser Issa Al Kaabi L.L.C.	51%	2%
Redington Middle East Company	49%	98%

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND ASs)

2.1 New and revised IND ASs that are mandatorily effective

The following new and revised IND ASs, which became effective for annual periods beginning on or after January 1, 2016, have been adopted in these financial statements.

- IND AS 1 14 *Regulatory Deferral Accounts*
- Amendments to IND AS 1 *Presentation of Financial Statements* relating to Disclosure initiative
- Amendments to IND AS 1 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 41 *Agriculture* to bring in bearer plants into the scope of IND AS 16
- Amendments to IND AS 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
- Amendments to IND AS 1 10 *Consolidated Financial Statements,* IND AS 1 12 *Disclosure of Interests in Other Entities* and IND AS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities
- Annual Improvements to IND ASs 2012 – 2014 Cycle covering amendments to IND AS 10 5, IND AS 10 7, IND AS 19 and IND AS 34

The application of these revised IND ASs 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.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND ASs) (CONTINUED)

2.2 New and revised IND ASs in issue but not yet effective

The Company has not applied the following new and revised IND ASs that have been issued but are not yet effective:

New and revised IND ASs	**Effective for annual periods beginning on or after**
Annual Improvements to IND AS Standards 2014 – 2016 Cycle amending IND AS 10 1, IND AS 1 12 and IND AS 28	The amendments to IND AS 10 1 and IND AS 28 are effective for annual periods beginning on or after January 1, 2018, the amendment to IND AS 1 12 for annual periods beginning on or after January 1, 2017
Amendments to IND AS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses	January 1, 2017
Amendments to IND AS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	January 1, 2017
Amendments to IND AS 10 2 *Share Based Payment* regarding classification and measurement of share based payment transactions.	January 1, 2018
Amendments to IND AS 10 4 *Insurance Contracts*: Relating to the different effective dates of IND AS 10 9 and the forthcoming new insurance contracts standard.	January 1, 2018

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND ASs) (CONTINUED)

2.2 New and revised IND ASs in issue but not yet effective (continued)

Amendments to IND AS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	January 1, 2018
Amendments to IND AS 10 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IND AS 10 9.	When IND AS 10 9 is first applied
IND AS 10 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IND AS 10 9.	When IND AS 10 9 is first applied
IND AS 10 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014)	January 1, 2018

IND AS 10 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IND AS 10 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 IND AS 10 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.

A finalised version of IND AS 10 9 which contains accounting requirements for financial instruments, replacing IND AS 39 Financial Instruments: Recognition and Measurement.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND ASs) (CONTINUED)

2.2 New and revised IND ASs in issue but not yet effective (continued)

IND AS 10 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014) (continued)

The standard contains requirements in the following areas:

- **Classification and measurement**: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IND AS 10 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IND AS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

- **Impairment**: The 2014 version of IND AS 10 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

- **Hedge accounting**: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

- **Derecognition**: The requirements for the derecognition of financial assets and liabilities are carried forward from IND AS 39.

IND AS 1 15 *Revenue from Contracts with Customers* — January 1, 2018

In May 2014, IND AS 1 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 1 15 will supersede the current revenue recognition guidance including IND AS 18 Revenue, IND AS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of IND AS 1 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.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND ASs) (CONTINUED)

2.2 New and revised IND ASs in issue but not yet effective (continued)

IND AS 1 15 *Revenue from Contracts with Customers (*continued)

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 IND AS 1 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 IND AS 1 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 1 15.

Amendments to IND AS 1 15 *Revenue from Contractswith Customers* to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	January 1, 2018
IND AS 1 16 *Leases*	January 1, 2019
IND AS 1 16 specifies how an IND AS 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 IND AS 1 16’s approach to lessor accounting substantially unchanged from its predecessor, IND AS 17.	
Amendments to IND AS 1 10 *Consolidated Financial Statements* and IND AS 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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND ASs) (CONTINUED)

2.2 New and revised IND ASs in issue but not yet effective (continued)

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IND AS 10 9, IND AS 1 15 and IND AS 1 16, may have no material impact on the financial statements of the Company in the period of initial application.

Management anticipates that IND AS 1 15 and IND AS 10 9 will be adopted in the Company's financial statements for the annual period beginning January 1, 2018 and that IND AS 1 16 will be adopted in the Company's financial statements for the annual period beginning January 1, 2019. The application of IND AS 1 15 and IND AS 10 9 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of revenue from contracts with customers and the Company's financial assets and financial liabilities and the application of IND AS 1 16 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of its leases.

However, management have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IND ASs) as issued by the International Accounting Standards Board and the applicable provisions of Qatar Commercial Companies' Law.

Basis of preparation

The financial statements have been prepared under the historical cost convention.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 and when the services are performed.

3. SIGNIFICANT ACCOUNTING POLICIES

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 Riyal (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 profit or loss 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.

Property and equipment

Property 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 reporting period, 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 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 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. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of tangible assets (continued)

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 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.

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.

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 impairment at each reporting period. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

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.

Derecognition of financial assets

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.

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.

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 JUDGMENTS 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 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

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 assumptions 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:

Estimated useful lives of property and equipment

The costs of items of property and equipment are depreciated on a systematic basis over the estimated useful lives of the assets. Management has determined the estimated useful lives of each asset and/ or category of assets based on the following factors:

- Expected usage of the assets,
- Expected physical wear and tear, which depends on operational and environmental factors; and
- Legal or similar limits on the use of the assets.

Management has not made estimates of residual values for any items of property and equipment at the end of their useful lives as these have been deemed to be insignificant.

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 inventories to their 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 inventories on hand are recently purchased items expected to be sold or used immediately, management is of the opinion that allowance for slow-moving inventory items is adequate. Revisions to these adjustments would be required if these factors differ from the estimates.

5. CASH AND BANK BALANCES

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	1,56,101	5,63,008
(b) Balances with banks		
(i) In current accounts	1,74,94,106	5,41,90,205
Total	**1,76,50,206**	**5,47,53,213**

6. TRADE AND OTHER RECEIVABLES

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	4,39,60,147	6,85,93,785
Less:Allowance for doubtful debts	(21,93,350)	(80,022)
(c) Receivables from releted parties	1,95,49,999	41,01,05,547.48
(b) Other Trade receivables		-
Considered good	20,78,135	83,69,973
Total Trade and other receivable	**6,33,94,931**	**48,69,89,284**

The average credit period is 90 days. No interest is charged on overdue receivables.

Before accepting any new customer the Company assesses the potential customer's credit quality and defines credit limits by customer.

Ageing of neither past due nor impaired		
Particular	**31-Mar-17**	**31-Mar-16**
Up to 90 days	4,11,26,688	6,53,89,755
Ageing of past due but not impaired		
Particular	**31-Mar-17**	**31-Mar-16**
91-180 days	6,40,108	30,68,932
181-360 days	0	55,076
Total	6,40,108	31,24,009
Ageing of past due and impaired		
Particular	**31-Mar-17**	**31-Mar-16**
181-360 days	21,93,350	78,202
Above 360 days	0	1,820
Total	21,93,350	80,022
Total	**4,39,60,147**	**6,85,93,785**

6. TRADE AND OTHER RECEIVABLES (CONTINUED)

Movement in the allowance for doubtful debts:

Particulars	31-Mar-17	31-Mar-16
Balance at the beginning of the year	80,022	39,63,622
(Reversal of allowance)/allowance during the y	21,83,966	78,986
Written-off during the year	-	(41,47,064)
CTA	(70,638)	(39,62,586)
Balance at the end of the year	21,93,350	80,022

7. RELATED PARTIES

Related parties represent associated companies, partners, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

The amounts outstanding are interest free, 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 from / due to related parties were as follows:

a) Due from related parties

Particulars	31-Mar-17	31-Mar-16
Under common control		
Ensure Gulf FZE - U.A.E.	1,95,49,999	41,00,86,188
Ensure Middle East Trading L.L.C. - U.A.E.	-	19,359
Total	**1,95,49,999**	**41,01,05,547**

b) **Due to related parties**

Particulars	31-Mar-17	31-Mar-16
Under common control		
Redington Gulf FZE - U.A.E.	29,95,453	30,21,262
Candesworth FZE - U.A.E.	-	15,92,70,624
Ensure Services Arabia L.L.C. - U.A.E.	-	12,937
RedingtonGulf & Co. L.L.C. - Kuwait	-	9,170
Total	**29,95,453**	**16,23,13,992**

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year for bad or doubtful debts in respect of the amounts owed by related parties.

7. RELATED PARTIES(CONTINUED)

c) Related party transactions

Transactions with related parties are entered into at prices agreed by management. During the year, the Company entered into the following transactions with the related parties:

Particulars	31-Mar-17	31-Mar-16
Purchase	8,36,58,353	19,40,26,040
Total	**8,36,58,353**	**19,40,26,040**

8. INVENTORIES

Particulars	31-Mar-17	31-Mar-16
Trading Stocks	67,08,441	1,42,32,911
Goods In Transist	10,39,068	29,35,945
Total	**7747509**	**1,71,68,857**

Movement in the allowance for slow-moving items is as follows:

Particulars	31-Mar-17	31-Mar-16
Balance at April 1, 2016	**58,25,439**	**50,72,584**
Additional Provisions	-	**4,42,664**
Provisions no longer required	**(24,53,109)**	-
CTA	**(49,52,855)**	**3,10,191**
Balance at March 31, 2017	**33,25,693**	**58,25,439**

9. PROPERTY AND EQUIPMENT

Description	Furniture & Fixtures	Computers	Vehicles	Capital work-in-progress	Total
Cost					
As at 01.04.16	1,53,00,485	30,50,628	81,01,742	11,27,016	2,75,79,872
Additions	11,70,205	5,96,337	-	(11,38,964)	6,27,579
Assets of Subsidiaries acquired	-	-	-	-	-
Disposal	-	-	-	-	-
Translation adjustments	(3,62,791)	(83,792)	(1,72,543)	11,947	(6,07,179)
As at 31.03.17	**1,61,07,899**	**35,63,174**	**79,29,199**	**-**	**2,76,00,272**
Accumulated Depreciations					
As at 01.04.16	25,08,417	12,22,286	79,87,368	-	1,17,18,071
Additions	32,94,484	8,00,903	1,15,586	-	42,10,973
Assets of subsidiaries acquired	-	-	-	-	-
Disposals	-	-	-	-	-
Disposal of Assets of EA					-
Translation adjustments	(1,57,407)	(51,310)	(1,73,756)	-	(3,82,473)
As at 31.03.17	**56,45,494**	**19,71,878**	**79,29,199**	**-**	**1,55,46,571**
Carrying Amount					
As at 01.04.16	**1,27,92,068**	**18,28,343**	**1,14,374**	**11,27,017**	**1,58,61,801**
As at 31.03.17	**1,04,62,405**	**15,91,296**	**-**	**-**	**1,20,53,701**

10. TRADE AND OTHER PAYABLES

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	3,13,47,415	2,74,87,023
Due to related parties	29,95,453	16,23,13,992
Total Trade Payables	**34342868**	**189801015**

10a. OTHER CURRENT LIABILITIES

Particulars	31-Mar-17	31-Mar-16
Statutory liabilities	11,79,035	4,47,470
Advances/Deposit received from customers	25,821	1,95,596
Other Liabilities	1,04,03,872	92,84,708
Total	**1,16,08,727**	**99,27,774**

11. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

Movements in the net liability were as follows:

Particulars	31-Mar-17	31-Mar-16
Balance at April 1, 2016	**71,40,482**	**71,76,292**
Charge for this year	19,96,023	20,34,318
Less: Payments in the year	(70,996)	(24,94,708)
Currency translation adjustment	(2,17,313)	4,90,027
Balance at March 31, 2017	**89,90,188**	**1,21,95,344**

12. STATUTORY RESERVE

In accordance with Qatar Commercial Company's Law, 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. The Company has resolved to cease such annual transfers as the legal reserve has reached the minimum required level. This reserve is not available for distribution except in circumstances as specified in the Law.

13. EMPLOYEE BENIFIT

Particulars	31-Mar-17	31-Mar-16
Salaries	4,13,80,941	3,91,17,114
Total	**4,13,80,941**	**3,91,17,114**

13a. OTHER EXPENSES

Particulars	31-Mar-17	31-Mar-16
Rent	1,23,22,990	2,19,02,558
Repairs and Maintenance	16,20,782	55,34,735
Communication	20,37,653	22,65,312
Travelling Expenses	79,41,396	66,58,672
Professional Charges	1,40,53,842	49,35,339
Provision for Doubtful receivables	21,83,966	4,09,511
Miscellaneous Expenses	99,11,180	88,14,395
Total	**5,00,71,810**	**5,05,20,522**

*This represents amount charged by the Qatari partner for administrative and immigration services rendered to the Company.

14. COMMITMENTS UNDER OPERATING LEASES

The Company has entered into lease agreements for lease of its office space, accommodation and service centers. The rental costs in respect of these properties are accounted for as operating leases.

The future lease commitments in respect of the above lease agreements are as follows:

Particular	31-Mar-17	31-Mar-16
Not later than 1 year	85,36,346	1,75,31,246
Later than 1 year and not more than 5 years	21,73,940	70,20,359

No deferred tax has been recognized in these financial statementsas the amount involved was not significant.

15. 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 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.

16.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 or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.The Company is notexposed 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.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Particular	Liabilities		Assets	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
US Dollars	1,56,10,678	17,17,88,384	4,00,12,829	9,87,04,600
Euro	-	-	-	1,58,606

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 2016.

The capital structure of the Company consists of equity, comprising capital, reserves and retained earnings.

17. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the management and authorized for issue on

18. General

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

ENSURE SERVICES BAHRAIN S P C
MANAMA - KINGDOM OF BAHRAIN

PERIOD ENDED 31st March, 2017

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, 2017

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, 2017 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, 2017 and authorizing the Directors to fix their remuneration will be put to the Annual General Meeting.

On behalf of the Board

Director
2017

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, 2017. 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, 2017, 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,
2017

Deloitte & Touche

Statement of financial position as at March,2017(IN Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	5	73,448	3,71,307
Total Non Current Assets		**73,448**	**3,71,307**
Current Assets			
Inventories	6	4,85,068	36,38,738
Financial assets			
Trade receivables	7	677,24,809	934,31,225
Cash and bank balances	8	6,18,204	1,16,681
Total Current assets		**688,28,081**	**971,86,644**
Total Assets		**689,01,530**	**975,57,951**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital	**9**	86,00,500	87,86,250
Other Equity			
Other reserves		209,28,798	54,26,875
Retained earnings		30,04,329	181,83,711
Equity attributable to the owners of the Company		**325,33,627**	**323,96,837**
Non-Controlling interests		-	-
Total Equity		**325,33,627**	**323,96,837**
Non-Current Liabilities			
Provisions	12	15,83,524	15,81,876
Total Non-current Liabilities		**15,83,524**	**15,81,876**
Current Liabilities			
Financial Liabilities			
Trade and other payables	13	342,73,165	623,25,089
Provisions	13a	5,11,214	12,54,149
Total Current Liabilities		**347,84,378**	**635,79,238**
Total Equity and Liabilities		**689,01,530**	**975,57,951**

Statement of Profit and Loss for the year ended March,2017(IN Indian Rupees)

Particulars	Note No.	Period ended March 31, 2017	Period ended March 31, 2016
Comprehensive Income:			
(a).Revenue from operations	14	246,33,103.08	335,62,996.32
(b)Other gain / (losses)	15	116,40,764.52	259,48,177.54
(c).Total Revenue(a+b)		**362,73,867.60**	**595,11,173.86**
d.Expenses			
Purchase of traded goods		171,49,779.02	205,80,690.14
Changes in inventories		31,53,669.38	55,81,004.83
Employee Benefits	16	115,88,903.86	184,94,667.61
Depreciation & Amortisation		2,27,334.40	6,27,716.94
Other Expenses		33,05,761.87	119,86,288.83
Total Expenses(d)		**354,25,448.52**	**572,70,368.34**
Profit before Corporate social responsibility expenditure and Tax		8,48,419.08	22,40,805.52
Profit before exceptional items and tax		**8,48,419.08**	**22,40,805.52**
e.Profit before tax (c-d)		**8,48,419.08**	**22,40,805.52**
h.Profit for the Year (e-f-g)		**8,48,419.08**	**22,40,805.52**
Total Comprehensive Income for the Year attributable to (h+k)		8,48,419.08	22,40,805.52
Profit for the year attributable to the :-			
Shareholders of the Company		8,48,419.08	22,40,805.52
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		8,48,419.08	22,40,805.52

Statement of Cash flows(IN Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	8,48,419.08	22,40,805.52
Adjustments for		
Depreciation	2,27,334.40	6,27,716.94
Gains In disposal of Assets	(16,517.27)	-
Provision for impaired trade receivables		26,884.81
Change in Working capital		
Change in recievables	245,03,096.22	(132,85,085.31)
Inventories	31,76,820.64	60,54,979.48
Trade payables	(283,43,626.74)	30,80,478.83
Other liabilities	36,231.42	2,36,586.32
Net cash flow from operating activity	**4,31,757.75**	**(10,17,633.41)**
Cash flow from investing activity		
Capital expenditure	88,624.90	(96,438.41)
Net cash in investing activity	88,624.90	(96,438.41)
Net increase in cash and cash equivalents	5,20,382.64	(11,14,071.82)
Cash and Cash equivalents at the beginning of the year	1,16,681.40	11,74,847.43
Currency transalation asjustment	(18,860.10)	55,905.80
Cash and Cash equivalents at the end of the year	**6,18,203.94**	**1,16,681.40**

Statement of Changes in Equity(IN Indian Rupees)

Particulars	Share capital	Statutory Reserve	Equity Setteled employees benefit reserve	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	8,786,250	2,431,507	754,563	2,240,806	18,183,711	32,396,837
Profit for the year				848,419		848,419
Tranfer to Statutory Reserve		84,895		(84,895)		-
Balance as at March 31, 2017	8,600,500	2,462,323.15	738,610.94	3,004,329	17,472,083	32,533,627

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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 12ecognized 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 12ecognized 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 12ecognized, the previously 12ecognized 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.

6. **Long term Provisions:**

Amount in `

Particulars	**31-Mar-17**	**31-Mar-16**
Provision For Gratuity	15,83,524	15,81,876

7. Trade Payables:

Amount in `

Particulars	**31-Mar-17**	**31-Mar-16**
(a) Trade Payables	14,52,452	55,82,608
(b)Due to related parties	311,83,177	544,35,915
(c) Other Payables	16,37,535	23,06,566
Total	**342,73,164**	**623,25,089**

8. Fixed Assets

Amount in `

Description	Plant and Equipment	Furniture & Fixtures	Computers	Total
Cost				
As at 01.04.16	68,53,275.00	31,93,801.88	23,81,073.75	124,28,150.63
Additions	-	-	-	-
Assets of Subsidiaries acquired	-	-	-	-
Disposal	15,19,588.38	7,71,516.12	5,91,247.05	28,82,351.55
Translation adjustments	(97,014.18)	(43,215.44)	(31,712.50)	(1,71,942.12)
As at 31.03.17	**52,36,672.44**	**23,79,070.31**	**17,58,114.21**	**93,73,856.96**
Accumulated Depreciations				
As at 01.04.16	66,22,548.08	31,49,167.73	22,85,127.90	120,56,843.70
Additions	1,42,616.82	26,640.75	58,076.84	2,27,334.40
Assets of subsidiaries acquired	-	-	-	-
Disposals	14,65,063.65	7,54,110.83	5,91,069.44	28,10,243.92
Disposal of Assets of EA				-
Translation adjustments	(98,346.84)	(43,659.40)	(31,519.27)	(1,73,525.50)
As at 31.03.17	**52,01,754.41**	**23,78,038.25**	**17,20,616.03**	**93,00,408.69**
Carrying Amount				
As at 01.04.16	**2,30,726.93**	**44,634.15**	**95,945.85**	**3,71,306.93**
As at 31.03.17	**34,918.03**	**1,032.06**	**37,498.18**	**73,448.27**

9. Inventories:

Amount in `

Particulars	**31-Mar-17**	**31-Mar-16**
Trading Stocks	4,85,068	36,38,738

10. Trade Receivables:

Amount in `

Trade and other receivable		
Particulars	**31-Mar-17**	**31-Mar-16**
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	-	-
Considered Doubtful		2,17,196
Less:Allowance for doubtful debts	-	(2,17,196)
(b) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	5,28,243	11,071
(c) Receivables from releted parties		
Considered good	638,07,282	815,86,482
(b) Other Trade receivables		-
Considered good	33,89,285	118,33,672.95
Total Trade and other receivable	**677,24,809.26**	**934,31,225.25**

11. Cash and Cash Equivalents:

Amount in `

Cash and Cash Equivalents		
Particulars	**31-Mar-17**	**31-Mar-16**
(a) Cash on hand	74,136.31	14,058.00
(b) Balances with banks		-
(i) In current accounts	5,44,067.63	1,02,623.40
Total	**6,18,203.94**	**1,16,681.40**

13. Revenue from Operations:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
Sales	246,33,103.08	335,62,996.32

14. Other Income:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
Other non-operating income	116,40,764.52	259,48,177.54

15. Employee benefits:

Amount in `

Particulars	**31-Mar-16**	**31-Mar-15**
Salaries and Bonus	115,88,903.86	184,94,667.61

16. Other Expense:

Amount in `

Particulars	31-Mar-16	31-Mar-15
Rent	7,67,254	31,18,638
Provision for Doubtful receivables	-	26,885
Exchange Gain/(Loss) Net	2,99,620	17,33,116
Miscellaneous Expenses	22,38,889	71,07,650
Total	**33,05,762**	**119,86,289**

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) 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.

May,24,2017

For and on Behalf of Board
Sd:-
Director.

REDINGTON QATAR DISTRIBUTION COMPANY W.L.L
DOHA - QATAR

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED MARCH 31, 2017

REDINGTON QATAR DISTRIBUTION COMPANY W.L.L.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended March 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To The Partners
Redington Qatar Distribution Company W.L.L
Doha - Qatar

Report on the financial statements

We have audited the accompanying financial statements of Redington Qatar Distribution Company W.L.L., which comprise the statement of financial position as at March 31, 2017 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.

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 the applicable provisions of Qatar Commercial Companies Law, 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, 2017, 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 the 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.

REDINGTON QATAR DISTRIBUTION COMPANY W.L.L.

STATEMENT OF FINANCIAL POSITION(In Indian Rupees)

As at March 31, 2017

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	9	90,57,001	98,57,796
Total Non Current Assets		**90,57,001**	**98,57,796**
Current Assets			
Inventories	8	1982,29,689	2984,23,327
Financial assets			
Trade receivables	6	5965,50,466	6096,32,136
Cash and bank balances	5	629,74,853	396,55,984
Total Current assets		**8577,55,008**	**9477,11,448**
Total Assets		**8668,12,009**	**9575,69,244**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		35,61,500	36,39,000
Other Equity			
Other reserves		134,43,508	18,19,500
Retained earnings		166,97,146	193,30,077
Equity attributable to the owners of the Company		**337,02,154**	**247,88,577**
Non-Controlling interests		-	-
Total Equity		**337,02,154**	**247,88,577**
Non-Current Liabilities			
Provisions	10	85,11,878	68,09,097
Total Non-current Liabilities		**85,11,878**	**68,09,097**
Current Liabilities			
Financial Liabilities			
Trade and other payables	11	8243,75,757	9254,22,500
Other Current Liablities	12	2,22,220	5,49,071
Total Current Liabilities		**8245,97,977**	**9259,71,570**
Total Equity and Liabilities		**8668,12,009**	**9575,69,244**

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

REDINGTON QATAR DISTRIBUTION COMPANY W.L.L.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME(In Indian Rupees)

For the year ended March 31, 2017

Particulars	**Note No.**	**Period ended March 31, 2017**	**Period ended March 31, 2016**
Comprehensive Income:			
(a).Revenue from operations		56306,75,379	45470,74,491
(c).Total Revenue(a+b)		**56306,75,379**	**45470,74,491**
d.Expenses			
Purchase of traded goods		53119,13,948	44096,79,790
Changes in inventories		1001,93,639	(537,77,054)
Employee Benefits	14	624,24,018	702,51,965
Depreciation & Amortisation		31,98,315	37,73,401
Other Expenses	15	1429,66,777	1096,56,502
Total Expenses(d)		**56206,96,697**	**45395,84,604**
Profit before Corporate social responsibility expenditure and Tax		**99,78,682**	**74,89,888**
Profit before exceptional items and tax		**99,78,682**	**74,89,888**
e.Profit before tax (c-d)		**99,78,682**	**74,89,888**
Income Tax expense:			
Current tax		(2,29,462)	(5,41,962)
h.Profit for the Year (e-f-g)		**97,49,220**	**69,47,926**
Total Comprehensive Income for the Year attributable to (h+k)		97,49,220	69,47,926
Profit for the year attributable to the :-			
Shareholders of the Company		97,49,220	69,47,926
Shareholders of the Company		97,49,220	69,47,926

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

REDINGTON QATAR DISTRIBUTION COMPANY W.L.L.

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2017(In Indian Rupees)

Particulars	Share capital	Statutory Reserve	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	36,39,000	18,19,500	69,47,926	123,82,151	247,88,577
Profit for the year			97,49,220		97,49,220
Dividend paid			-		-
Other comprehensive income					-
Foreign currency adustment					-
Additions during the year		-	-	(8,35,643)	(8,35,643)
Deduction					-
Balance as at March 31, 2017	35,61,500	17,80,750.00	166,97,146	115,46,508	337,02,154

REDINGTON QATAR DISTRIBUTION COMPANY W.L.L.

STATEMENT OF CASH FLOWS

For the year ended March 31, 2017(In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	99,78,682	74,89,888
Adjustments for		
Depreciation	31,98,315	37,73,401
Loss on disposal of Assets	-	3,29,196
Employees End of Service Benefits	36,65,754	33,59,724
(Reversal of)/ Provision for obsolate slow moving inventories	(80,97,730)	21,26,503
Unrealized foreign exchange loss	-	8,95,398
Provision for impaired trade receivables	3,02,186	3,21,797
Change in Working capital		
Change in recievables	(4,28,695)	(713,23,245)
Due from Releted party	2,28,010	31355,39,267
Inventories	1049,94,214	(407,17,155)
Acturals and other paybles	10,36,194	(8,18,393)
Due to Releted party	(850,25,137)	(30645,44,033)
Employees End of Service Benefits paid	(17,57,735)	(2,44,769)
Taxes paid	(5,54,891)	-
Net cash flow from operating activity	**275,39,167**	**(238,12,421)**
Cash flow from investing activity		
Capital expenditure	(25,88,205)	(23,40,274)
Net cash in investing activity	(25,88,205)	(23,40,274)
Net increase in cash and cash equivalents	249,50,962	(261,52,696)
Cash and Cash equivalents at the beginning of the year	396,55,984	625,01,713
Currency transalation asjustment	(16,32,094)	33,06,967
Cash and Cash equivalents at the end of the year	**629,74,853**	**396,55,984**

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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 L.L.C.	49%

2. Application of new and revised International Financial Reporting Standards (IND ASs)

2.1 New and revised IND ASs affecting amounts reported in the financial statements

The following are the new and revised IND ASs that were effective in the current year and have been applied in the preparation of these financial statements:

(i) New Standards

Effective for annual periods beginning on or after January 1, 2013

- IND AS 10* — *Consolidated Financial Statements*
- IND AS 11* — *Joint Arrangements*
- IND AS 112* — *Disclosure of Interests in Other Entities*
- IND AS 113 — *Fair Value Measurement*

(ii) Revised Standards

Effective for annual periods beginning on or after July 1, 2012

- IND AS 1 (Revised) — *Presentation of Financial Statements - Amendments to introduce new terminology for the income statement and other comprehensive income.*

Effective for annual periods beginning on or after January 1, 2013

- IND AS 101 (Revised) — *First Time Adoption of International Financial Reporting Standards – Amendments to allow prospective application of IND AS 39 or IND AS 109 and paragraph 10A of IND AS 20 to government loans outstanding at the date of transition to IND AS.*
- IND AS 107 (Revised) — *Financial Instruments Disclosures - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities.*

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND ASs) (CONTINUED)

2.1 New and revised IND ASs affecting amounts reported in the financial statements (continued)

• IND AS 19 (Revised)	*Employee Benefits - Amended Standard to change the accounting for defined benefit plans and termination benefits*
• IND AS 27 (Revised)*	*Consolidated and Separate Financial Statements (Early adoption allowed) - Reissued as IND AS 27 Separate Financial Statements.*
• IND AS 28 (Revised)*	*Investments in Associates (Early adoption allowed) -Reissued as IND AS 28 Investments in Associates and Joint Ventures.*
• IND AS 110, 11 and 12 amendments*	*Subsequent to the issue of these standards, amendments to IND AS 110, IND AS 111 and IND AS 112 were issued to clarify certain transitional guidance on the first-time application of the standards.*
• Annual improvements to IND ASs 2009-2011 cycle	*Amendments to issue clarifications on five IND ASs- IND AS 101, IND AS 1, IND AS 16, IND AS 32 and IND AS 34.*

* In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IND AS 110, IND AS 111, IND AS 112, IND AS 27 (as revised in 2011) and IND AS 28 (as revised in 2011). These five standards are effective for annual periods beginning on or after January 1, 2013. Subsequent to the issue of these standards, amendments to IND AS 110, IND AS 111 and IND AS 112 were issued to clarify certain transitional guidance on the first-time application of the standards.

(iii) New Interpretation:

Effective for annual periods beginning on or after January 1, 2013

• IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*

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, 2017, other than certain presentation and disclosure changes.

2.2 New and revised IND ASs in issue but not yet effective (Early adoption allowed)

(i) New Standards:

Effective for annual periods beginning on or after January 1, 2017

• IND AS 109	*Financial Instruments*

(ii) Revised Standards:

Effective for annual periods beginning on or after January 1, 2017

• IND AS 32 (Revised)	*Financial Instruments: Presentation – Amendments to clarify existing application issues relating to the offsetting requirements.*

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND ASs) (CONTINUED)

2.2 New and revised IND ASs in issue but not yet effective (Early adoption allowed) (continued)

(ii) Revised Standards: (continued)

- IND AS 110, 12 and IND AS 27 (Revised) — *Amendments to introduce an exception from the requirement to consolidate subsidiaries for an investment entity.*
- IND AS 36 (Revised) — *Amendments arising from recoverable amount disclosures for non-financial assets.*
- IND AS 39 (Revised) — *Amends IND AS 39 Financial Instruments: Recognition and Measurement to make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.*

Effective for annual periods beginning on or after January 1, 2017

- IND AS 107 (Revised) — *Financial Instruments Disclosures - Amendments requiring disclosures about the initial application of IND AS 109*

Effective for annual periods beginning on or after July 1, 2017

- IND AS 19 (Revised) — *Amended 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 IND ASs 2010-2012 cycle — *Amendments to issue clarifications on IND ASs- IND AS 102, IND AS 103, IND AS 108, IND AS 113, IND AS 16, IND AS 38 and IND AS 24.*
- Annual Improvements 2011-2013 Cycle — *Amendments to issue clarifications on IND ASs- IND AS 101, IND AS 103, IND AS 113 and IND AS 40.*

(iii) New Interpretation:

Effective for annual periods beginning on or after January 1,

2014 • IFRIC 21 *Levies*

Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company in the period of initial application, other than certain presentation and disclosure changes.

3. SIGNIFICANTACCOUNTING

POLICIES Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IND AS) 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:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Riyal (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 profit or loss for the year.

Employees' end of service benefits

Employees' end of service benefits is 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 profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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 weighted average 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of tangible assets (continued)

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 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 JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY

In the application of the Company's accounting policies, which are described in Note 3 to the financial statements, 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 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 judgment and uncertainty.

5. CASH AND BANK BALANCES

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	4,83,883	3,90,337
(b) Cheque in hand	4,72,54,160	2,08,47,995
(c) Balances with banks		-
(i) In current accounts	1,52,36,809	1,84,17,652
Total	**6,29,74,853**	**3,96,55,984**

6. ACCOUNTS RECEIVABLE AND OTHER DEBIT BALANCES

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	78,76,952	41,78,482
Considered Doubtful	6,11,723	3,26,018
Less:Allowance for doubtful debts	(6,11,723)	(3,26,018)
(b) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	57,92,42,111	59,65,79,298
(c) Receivables from releted parties		
Considered good	-	2,25,618
(b) Other Trade receivables		-
Considered good	94,31,404	86,48,739
Total Trade and other receivable	**59,65,50,466**	**60,96,32,136**

The average credit period on sales of goods is 30 days. No interest is charged on overdue trade receivables.

Ageing of neither past due nor impaired		
Particular	**31-Mar-17**	**31-Mar-16**
Up to 30 days	57,92,42,111	59,65,79,298
Ageing of past due but not impaired		
Particular	**31-Mar-17**	**31-Mar-16**
31-150 days	77,62,948	2,82,514
151-180 days	1,14,004	38,95,968
Total	78,76,952	41,78,482
Ageing of past due and impaired		
Particular	**31-Mar-17**	**31-Mar-16**
181-270 days	6,11,723	3,26,018
Total	6,11,723	3,26,018

Movement of provision for doubtful debts

Particulars	31-Mar-17	31-Mar-16
Balance as per last Balance sheet	3,26,018	-
Charge for the year	3,02,186	3,21,797
Collections	-	-
CTA	(16,481)	4,221
Closing balance	6,11,723	3,26,018

7. RELATED PARTIES

Related parties represent associated companies, partners, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

At the reporting date, amounts due from /due to related parties were as follows:

a) Due To related parties

Particulars	31-Mar-17	31-Mar-16
Under Common Control		
Redington Gulf FZE, UAE	78,20,85,669	88,32,37,483
Total	**78,20,85,669**	**88,32,37,483**

b) Due From related parties **QR.** QR.

Particulars	31-Mar-17	31-Mar-16
Under Common Control		
Arena International FZE	-	2,25,618
Total	-	**2,25,618**

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year for bad or doubtful debts in respect of the amounts owed by related parties.

During the year, the Company entered into following transactions with the related parties:

Particular	31-Mar-17	31-Mar-16
Purchase	5,60,36,47,469	4,45,64,76,834
Sales	21,09,11,464	16,23,00,061

8. INVENTORIES

Particulars	31-Mar-17	31-Mar-16
(a) Trading Stocks	19,82,29,689	29,84,23,327
Total	**198229689**	**29,84,23,327**

Movement of Allowance in Inventories

Movement of allowance of inventories		
Particulars	**31-Mar-17**	**31-Mar-16**
Balance at April 1, 2016	**86,25,813**	61,05,076
Additional Provisions	-	21,26,503
Provisions no longer required	(80,97,730)	-
CTA	71,888	3,94,234
Balance at March 31, 2016	**5,99,970**	**86,25,813**

9. PLANT AND EQUIPMENT

Description	Furniture & Fixtures	Office Equipments	Computers	Total
Cost				
As at 01.04.16	7,26,381	96,90,766	43,11,451	1,47,28,598
Additions	-	21,20,050	4,68,156	25,88,205
Assets of Subsidiaries acquired	-	-	-	-
Disposal	-	-	-	-
Translation adjustments	(15,470)	(2,73,301)	(1,06,598)	(3,95,368)
As at 31.03.17	**7,10,911**	**1,15,37,515**	**46,73,009**	**1,69,21,434**
Accumulated Depreciations				
As at 01.04.16	4,98,015	18,32,273	25,40,513	48,70,802
Additions	1,22,592	20,83,458	9,92,265	31,98,315
Assets of subsidiaries acquired	-	-	-	-
Disposals	-	-	-	-
Disposal of Assets of EA				-
Translation adjustments	(14,476)	(1,04,783)	(85,425)	(2,04,684)
As at 31.03.17	**6,06,132**	**38,10,947**	**34,47,354**	**78,64,433**
Carrying Amount				
As at 01.04.16	**2,28,365**	**78,58,493**	**17,70,938**	**98,57,796**
As at 31.03.17	**1,04,779**	**77,26,567**	**12,25,655**	**90,57,001**

10. PROVISION FOR GRATUITY (EMPLOYEES' END OF SERVICE BENEFITS)

Movements in the net liability were as follows:

Particulars	31-Mar-17	31-Mar-16
Balance at the beginning of the year	**68,09,097**	35,21,297
Add: Accruals in the year	**36,65,754**	**32,81,438**
Less: Payments in the year	**17,57,735**	**2,44,769**
Currency translation adjustment	**(2,05,237)**	**2,51,131**
Balance at the end of the year	**85,11,878**	**68,09,097**

11. TRADE AND OTHER PAYBLE

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	33,49,715	26,15,131
Due to related parties	78,20,85,669	88,32,37,483
(b) Other Payables	3,89,40,373	3,95,69,886
Total Trade Payables	**82,43,75,757**	**92,54,22,500**

12. OTHER CURRENT LIABILITY

Particulars	31-Mar-17	31-Mar-16
Statutory liabilities	2,22,220	5,49,071
Total	**2,22,220**	**5,49,071**

13. 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.

14. EMPLOYEE BENIFIT

Particulars	31-Mar-17	31-Mar-16
Salaries and Bonus	6,24,24,018	7,02,51,965
Total	**6,24,24,018**	**7,02,51,965**

* This represents amount charged by the Qatari partner for administrative and immigration services rendered to the Company during the year, in capacity of a service provider.

15 OTHER EXPENSES

Particulars	31-Mar-17	31-Mar-16
Rent	2,75,81,827	2,69,39,135
Freight	1,13,13,569	29,02,692
Repairs and Maintenance	9,17,261	6,45,102
Insurance	25,19,968	11,66,249
Communication	61,21,823	56,43,533
Sales promotion expense	4,66,53,447	3,28,59,871
Travel	64,52,051	66,60,396
Professional Charges	3,73,86,321	1,78,71,314
Warehouse handling Charges	71,27,898	76,85,573
Service Rendered	34,47,728	33,67,392
(Reversal of)/ Provision for Obsolet and slow moving inventories (Note 8)	(80,97,730)	21,26,503
Provision for Doubtful receivables	3,02,186	3,21,797
Loss on Sale of Fixed assets	-	3,29,196
Miscellaneous Expenses	12,40,428	11,37,747
Total	**14,29,66,777**	**10,96,56,502**

13.INCOME TAX

	2014	2013
	QR.	QR.
Profit before tax	**304,010**	12,991
Less: Excess of tax depreciation over book depreciation	**13,213**	--
Add: Excess of book depreciation over tax depreciation	**--**	7,769
Add: Impact of deductible temporary differences	**5,447**	6,314
Add: Provision for inventory	**77,715**	62,628
Add: Provision for bad debts	**893,846**	--
Less: Unrealized exchange gain	**(94,449)**	--
Taxable income	**1,199,782**	89,702
Income tax at the rate of 10%	**119,978**	8,970
Non-Qatari partner's share in income tax (49% to be paid to the tax department)	**58,789**	4,395
Less: Reversal of excess tax liability of the prior year	**(4,395)**	--
Net tax expense for the year	**54,394**	4,395

Due to insignificance of the amount no deferred tax has been recognised in these financial statements.

14. 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 receivable 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.

15. 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.

16. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the management and authorized for issue .

17.Figures are given in Indian Rupees unless otherwise stated.

REDINGTON GHANA LIMITED

REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

ROBERT OFORI & PARTNERS
Chartered Accountants
P.O.BOX MP 946
Mamprobi - Accra

CONTENTS

COMPANY INFORMATION

Directors	Redington Gulf FZE
Secretary	
Company Number	
Registered Office	P.O.BOX GP 453 Accra - Ghana
Auditors	Robert Ofori & Partners (Chartered Accountants) P.O.BOX MP 946 Mamprobi - Accra
Bankers	

REDINGTON GHANA LIMITED

Financial Statements
For the year ended 31st March, 2017

DIRECTORS' REPORT

The Directors presents their report and Financial Statements for the year ended 31st March, 2017.

Directors and their Interests:

The Directors who served during the year and their interest in the company are as stated below:

	Ordinary Shares of no par value	
	31st March, 2017	1st April, 2016
Directors / Shareholders:		
Redington Gulf FZE	555,500	555,500

Auditors

In accordance with section 134 (5) of the Companies Code, 1963 (Act 179) Robert Ofori & Partners (Chartered Accountants) should continue as Auditors of the company.

This Report as appro ed by the Board on ....and signed on its behalf by:

ON BEHALF OF THE BOARD

....
SECRETARY

REDINGTON GHANA LIMITED

Financial Statements
For the year ended 31st March, 2017

AUDITORS' REPORT

We have audited the financial statements on page 4-6 which have been prepared under the historical financial cost convention and Accounting Policies set out on pages 7 to 12

Respective Responsibilities of Directors and Auditors:

The company's Directors are responsible for the preparation of the Financial Statement. It is our responsibility to form an independent opinion based on our audit on those statements and to report our opinion.

Basis of Opinion

We conducted our audit in accordance with generally accepted Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amount and disclosures in the financial statement. It also includes an assessment of the significant estimate and judgement made by the Directors in the preparation of the financial statement, and whether the Accounting policies are appropriate to the company's circustances, consistently and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us sufficient evidence to give reasonable assurance that the Financial Statement are free from material misstatements, whether caused by fraud, other irregularity or error.

In forming our opinion, we also avaluated the overall adequacy of the presentation of information in the Financial Statements

Opinion:

In our opinion, the Financial Statements give a true and fair view of the state of the company's affairs as at 31st March, 2017 and of it Profit / Loss for year then ended and have been properly prepared in accordance with the Companies Code 1963 (Act 179).

ROBERT OFORI & PARTNERS
CHARTERED ACCOUNTANTS
ACCRA

REDINGTON GHANA LIMITED

Financial Statements
For the year ended 31st March, 2017(In Indian Rupees)

COMPREHENSIVE STATEMENT OF INCOME

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations	2	187,27,143	152,36,665
(b)Other gain / (losses)	6	17,74,508	17,46,415
(c) Total Revenue(a+b)		**205,01,651**	**169,83,081**
(d) Expenses			
Purchase of traded goods	3	135,12,122	96,48,870
Changes in inventories	3	(7,77,670)	7,09,341
Employee Benefits	4	31,37,324	15,70,407
Finance Costs	4a	97,096	5,39,567
Depreciation & Amortisation		3,10,933	1,63,192
Other Expenses	5	69,70,491	41,35,941
Total Expenses(d)		**232,50,296**	**167,67,319**
Profit before Corporate social responsibility expenditure and Tax		(27,48,645)	2,15,762
Profit before exceptional items and tax		(27,48,645)	2,15,762
e.Profit before tax (c-d)		**(27,48,645)**	**2,15,762**
Income Tax expense:			
Current tax		-	(94,734)
h.Profit for the Year (e-f-g)		**(27,48,645)**	**1,21,028**
Total Comprehensive Income for the Year attributable to (h+k)		(27,48,645)	1,21,028
Profit for the year attributable to :-			
Shareholders of the Company		(27,48,645)	1,21,028
Total Comprehensive Income for the year attributable to :-			
Shareholders of the Company		(27,48,645)	1,21,028

REDINGTON GHANA LIMITED

Financial Statements
For the year ended 31st March, 2017(In Indian Rupees)

STATEMENT OF FINANCIAL POSITION

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	14	8,44,057	1,38,237
Total Non Current Assets		**8,44,057**	**1,38,237**
Current Assets			
Inventories	7	16,62,756	8,85,086
Financial assets			
(i) Trade receivables	8	21,91,094	160,25,130
(ii) Cash and bank balances	9	94,57,489	30,23,445
Total Current assets		**133,11,338**	**199,33,661**
Total Assets		**141,55,395**	**200,71,898**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		84,44,824	96,68,939
Other Equity			
Other reserves		13,27,677	1,21,028
Retained earnings		(26,27,617)	12,92,813
Equity attributable to the owners of the Company		**71,44,884**	**110,82,779**
Non-Controlling interests		-	-
Total Equity		**71,44,884**	**110,82,779**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	11	66,00,128	78,20,231
Current tax liabilities (net payables)		50,791	3,81,275
Other Current Liablities	12	3,59,593	7,87,614
Total Current Liabilities		**70,10,511**	**89,89,119**
Total Equity and Liabilities		**141,55,395**	**200,71,898**

The above Statement of Financial Position together with the attached Comprehensive Statement of Income, the statement of Cash Flow and the Notes thereon have been approved by the Board of Directors and signed on its behalf by:

....

DIRECTOR DIRECTOR

REDINGTON GHANA LIMITED

Financial Statements
For the year ended 31st March, 2017(In Indian Rupees)

STATEMENT OF CASH FLOW

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	(27,48,645)	2,15,762
Adjustments for		
Depreciation	3,10,920	1,63,192
Change in Working capital		
Inventories	(9,64,790)	8,03,808
Trade and other receivables	128,01,216	(73,57,368)
Trade and other payables	(2,49,448)	26,71,149
Other Current Liability		
Cash Generated from Operations	**91,49,253**	**(35,03,457)**
Income tax paid	3,06,024	1,26,086
Net Cash generated from operating activities	94,55,277	(33,77,371)
Cash flow from investing activity		
Purchase of property and equipment	10,95,267	1,29,159
Proceed From Disposal	-	16,974
Net cash in investing activity	10,95,267	1,29,159
Net increase in cash and cash equivalents	105,50,544	(32,48,212)
Cash and Cash equivalents at the beginning of the year	30,23,445	-
Currency transalation asjustment	(41,16,500)	62,71,657
Cash and Cash equivalents at the end of the year	**94,57,489**	**30,23,445**

Financial Statements
For the year ended 31st March, 2017

Statement of Changes in Equity(In Indian Rupees)

Particulars	Share capital	Retained earnings	Foreign currency transalati	Total Equity
As at April 2016	96,68,939	1,21,028	12,92,813	110,82,779
Profit for the year		(27,48,645)		(27,48,645)
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	(11,89,251)	(11,89,251)
Deduction				-
1. **Balance as at March 31, 2017**	84,44,824	(26,27,617)	1,03,562	71,44,884

REDINGTON GHANA LIMITED

Financial Statements
For the year ended 31st March, 2017

NOTES TO THE FINANCIAL STATEMENTS

1 **(a) Principal Accounting Policies:**

The Principal Accounting Policies of the Company has been incorporated in the relevant notes to the Accounts as set out below:

(b) Basis of Accounting:

These Financial Statements have been prepared under the historical cost convention system of Accounting.

(c) Depreciation:

Assets owned by the company are stated at cost less accumulated depreciation. Depreciation is computed using the straight line method so as to write off the cost over the estimated useful lives of the asasets concerned,
The principal annual rates used for this purpose are as follows:

Motor Vehicle	30%
Office Equipment	20%
Furniture & Fixtures	20%
Computers	30%

(d) Foreign Currencies:

Transactions denominated in foreign currencies are initially recorded at the rate of exchange on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the Balance sheet date. Gains and losses arising from foreign currency transactions are dealt with in the Income statement for the year.

(e) All financials are presented in Indian Rupees

2. **Sales**

Sales have been arrived at, after deducting discount allowed, returns and all other allowances from Gross Sales

Particulars	31-Mar-17	31-Mar-16
Sales	187,27,143	152,36,665
Total	**187,27,143**	**152,36,665**

3. **Cost of Sales**

This amount represents the following:

Particular	31-Mar-17	31-Mar-16
Opening stock	8,85,086	15,94,427
Purchases	135,12,122	96,48,870
Closing stock	16,62,756	8,85,086
Cost of sales	127,34,452	103,58,211

4. **Employee Benefit**

This amount represents the following:

Salaries	31,37,324	15,70,407
Total	**31,37,324**	**15,70,407**

4a **Finance Cost**

Particulars	31-Mar-17	31-Mar-16
Interest Expenses	97,096	5,39,567
Total	**97,096**	**5,39,567**

5. **Other Expense**

This amount represents the following:

Particulars	31-Mar-17	31-Mar-16
Rent	18,51,821	10,70,306
Repairs and Maintenance	9,20,133	8,16,437
Utilities	82,012	1,73,988
Insurance	6,29,753	1,66,248
Communication	5,93,569	4,60,669
Sales Promotion Expenses	12,37,136	14,32,762
Travelling Expenses	6,86,345	5,61,413
Professional Charges	2,73,648	1,11,556
Warehouse handling charges	11,935	14,598
Auditor's Remuneration(including remuneration to Subsidiarie's auditor	2,80,242	2,03,693
Exchange Loss Net	8,57,375	-
Miscellaneous Expenses	1,54,571	69,086
Total	**69,70,491**	**41,35,941**

6. **Other Income**

Particulars	31-Mar-17	31-Mar-16
Other Non operating income	17,74,508	17,46,415
Total	**17,74,508**	**17,46,415**

7. Inventories (Stock) -

Stocks are valued at the lower of cost or net realized value. Adjustments are made

to reduce the cost of goods to its realizable value. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and quality issues.

Particulars	31-Mar-17	31-Mar-16
Trading Stocks	16,62,756	8,85,086
Total	**1662756**	**8,85,086**

8. Trade Receivable -

This amount represents the following:

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	-	12,53,394
(b) Other Trade receivables		-
Considered good	21,91,094	147,71,736
Total Trade and other receivable	**21,91,094**	**160,25,130**

9. **Cash & Cash Equivalent**

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	39,100	44,716
(b) Balances with banks		
(i) In current accounts	94,18,388	29,78,729
Total	**94,57,489**	**30,23,445**

10. Share Capital

The authorized Capital of the company consists of 750,000 ordinary shares of no par value, out of which 100,000 has been issued

There were no shares in Treasury and also no calls or installments unpaid on any of the shares.

11 Trade and Other Payables

This amount represents the following:

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	2,28,033	18,41,920
(b) Other Payables	63,72,095	59,78,311
Total Trade Payables	**6600128**	**7820231**

12. Other Current Liabilities -

Particulars	31-Mar-17	31-Mar-16
(a) Creditors for other liabilities	3,59,593	7,87,614
Total	**3,59,593**	**7,87,614**

14. Property, Plant & Equipment

Description	Plant and Equipment	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost						
As at 01.04.16	-	6,89,253	2,49,826	2,06,694	18,20,476	29,66,249
Additions	8,29,522	2,65,758	-	-	-	10,95,281
Assets of Subsidiaries acquired	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Translation adjustments	(64,541)	(1,07,939)	(31,629)	(26,168)	(2,30,477)	(4,60,754)
As at 31.03.17	**7,64,981**	**8,47,073**	**2,18,197**	**1,80,526**	**15,89,998**	**36,00,776**
Accumulated Depreciations						
As at 01.04.16	-	6,35,835	2,49,826	1,76,217	17,66,135	28,28,012
Additions	1,79,032	1,03,037	-	28,865	-	3,10,933
Assets of subsidiaries acquired	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Disposal of Assets of EA						-
Translation adjustments	(13,930)	(88,515)	(31,629)	(24,555)	(2,23,598)	(3,82,226)
As at 31.03.17	**1,65,102**	**6,50,356**	**2,18,197**	**1,80,526**	**15,42,537**	**27,56,719**
Carrying Amount						
As at 01.04.16	**-**	**53,418**	**-**	**30,478**	**54,341**	**1,38,237**
As at 31.03.17	**5,99,879**	**1,96,717**	**-**	**-**	**47,461**	**8,44,057**

REDINGTON KENYA (EPZ) LIMITED

REPORTS AND
FINANCIAL STATEMENTS

31 MARCH 2017

REDINGTON KENYA (EPZ) LIMITED

CORPORATE INFORMATION

DIRECTORS	Raj Shankar* Sriram Ganeshan** * Singaporean ** Indian
SECRETARY	Livingstone Associates Certified Public Secretaries (Kenya) Deloitte Place Waiyaki Way, Muthangari P O Box 30029 - 00100 Nairobi
REGISTERED OFFICE	LR No. 209/4393/24 Deloitte Place Waiyaki way, Muthangari P O Box 30029 - 00100 Nairobi
PRINCIPAL PLACE OF BUSINESS	Incubator – 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 2017, which disclose its state of affairs.

ACTIVITIES

The company imports information technology products for export to neighbouring countries. The company did not trade during the year and is currently dormant.

RESULTS

	INR
Loss for the year	(1280422)
Taxation charge	-
	(1280422)

DIVIDEND

The directors do not recommend the payment of a dividend for the year (2016 – INR Nil).

DIRECTORS

The current directors are shown on page 2.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office in accordance with the provisions of the Kenyan Companies Act.

BY ORDER OF THE BOARD

Secretary

2017

Nairobi

REDINGTON KENYA (EPZ) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the prevention and detection of fraud and error.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. They also accept responsibility for:

(i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;

(ii) selecting suitable accounting policies and applying them consistently; and

(iii) making accounting estimates and judgements that are reasonable in the circumstances.

As disclosed in note 3 to the financial statements, the directors acknowledge that the continued existence of the company as a going concern depends on the continued financial support from shareholders to enable the company meet its obligations. The directors are of the view that, the company will remain solvent for the foreseeable future.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of Directors on ………………………………….. 2017 and signed on its behalf by:

……………………………………   ……………………………………

Director   Director

INDEPENDENT AUDITORS’ REPORT
TO THE DIRECTORS OF REDINGTON KENYA (EPZ) LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Redington Kenya (EPZ) Limited set out on pages 8 to 21, which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 March 2017 and of its loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements section* of our report. We are independent of the company in accordance with the Institute of Certified Public Accountants of Kenya Code of Ethics (ICPAK Code of Ethics), which is consistent with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), together with other ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information, which comprises the report of Directors as required by the Kenyan Companies Act. The other information does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance 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 the requirements of 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the company financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

- Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
- As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF REDINGTON KENYA LIMITED (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 (Balance Sheet) and statement of profit or loss and other comprehensive income (Profit and Loss account) are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditors' report is ***CPA Fredrick Aloo – P/No 1537***

Certified Public Accountants (Kenya)

Nairobi, Kenya

2017

REDINGTON KENYA (EPZ) LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017(In Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Current Assets			
Financial assets			
Cash and bank balances	6	32,126	1,24,799
Other Current Assets	6a	180,74,438	187,35,592
Total Current assets		**181,06,564**	**188,60,391**
Total Assets		**181,06,564**	**188,60,391**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		62,993	65,340
Other Equity			
Other reserves		(65,15,126)	(29,90,028)
Retained earnings		(42,70,450)	(69,24,010)
Equity attributable to the owners of the Company		**(107,22,583)**	**(98,48,698)**
Non-Controlling interests		-	-
Total Equity		**(107,22,583)**	**(98,48,698)**
Current Liabilities			
Financial Liabilities			
Trade and other payables	7	288,29,148	287,09,089
Total Current Liabilities		**288,29,148**	**287,09,089**
Total Equity and Liabilities		**181,06,564**	**188,60,391**

The financial statements on pages 8 to 21 were approved by the board of directors on 2017
and were signed on its behalf by:

)
) Directors
)
)

REDINGTON KENYA (EPZ) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	Note No.	Period ended March 31, 2017	Period ended March 31, 2016
Comprehensive Income:			
(c).Total Revenue(a+b)		**-**	**-**
d.Expenses			
Other Expenses	4	12,80,422	29,90,028
Total Expenses(d)		**12,80,422**	**29,90,028**
Profit before Corporate social responsibility expenditure and Tax		(12,80,422)	(29,90,028)
Profit before exceptional items and tax		(12,80,422)	(29,90,028)
e.Profit before tax (c-d)		**(12,80,422)**	**(29,90,028)**
h.Profit for the Year (e-f-g)		**(12,80,422)**	**(29,90,028)**
Total Comprehensive Income for the Year attributable to (h+k)		(12,80,422)	(29,90,028)
Profit for the year attributable to the :-			
Shareholders of the Company		(12,80,422)	(29,90,028)
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		(12,80,422)	(29,90,028)

REDINGTON KENYA (EPZ) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	Share capital	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	65,340	(29,90,028)	(69,24,010)	(98,48,698)
Profit for the year		(12,80,422)		(12,80,422)
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	4,06,537	4,06,537
Deduction				-
Balance as at March 31, 2017	62,993	(42,70,450)	(65,17,474)	(107,22,583)

REDINGTON KENYA (EPZ) LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	(12,80,421.79)	(29,90,027.82)
Change in Working capital		
Change in recievables	(12,482.31)	12,371.63
Acturals and other paybles	(1,85,263.70)	2,42,223.51
Changes in due from Related company	13,86,192.90	25,70,694.65
Net cash flow from operating activity	**(14,78,167.79)**	**(27,51,711.14)**
Net increase in cash and cash equivalents	(14,78,167.79)	(27,51,711.14)
Cash and Cash equivalents at the beginning of the year	1,24,799.40	3,00,816.60
Currency transalation asjustment	13,85,494.57	25,75,693.94
Cash and Cash equivalents at the end of the year	**32,126.18**	**1,24,799.40**

1 ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the requirements of the Kenyan Companies Act.

For the purposes of reporting under the Kenyan Companies Act, the balance sheet in these financial statements is represented by/ is equivalent to the statement of financial position and the profit and loss account is presented in the statement of profit or loss and other comprehensive income.

Adoption of new and revised International Financial Reporting Standards (IND ASs)

i) Relevant new standards and amendments to published standards effective for the year ended 31 December 2016

Several new and revised standards and interpretations became effective during the year. The directors have evaluated the impact of their new standards and interpretations and none of them had a significant impact on the company's financial statements.

ii) Relevant new and amended standards and interpretations in issue but not yet effective in the year ended 31 March 2017.

New and Amendments to standards	*Effective for annual periods beginning on or after*
IND AS 109 Financial Instruments	1 January 2018, with earlier application permitted
IND AS 115 Revenue from contracts with customers	1 January 2018, with earlier application permitted
IND AS 116 Leases	1 January 2019, with earlier application permitted
Amendments to IND AS 102 Classification and Measurement of Share-based Payment Transactions	1 January 2018, with earlier application permitted
Amendments to IND AS 110 and IND AS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 4	Effective for annual periods beginning on or after a date to be determined
Amendments to IND AS 7	1 January 2017, with earlier application permitted
Amendments to IND AS 12	1 January 2017, with earlier application permitted

1 ACCOUNTING POLICIES (Continued)

iii) Impact of relevant new standards and amendments to published standards effective for the year ended 31 March 2017 and future annual periods

IND AS 109 Financial Instruments

IND AS 109, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IND AS 109 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for de-recognition. Key requirements of IND AS 109:

- All recognised financial assets that are within the scope of IND AS 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. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IND AS 109, 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, IND AS 109 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 IND AS 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.

The adoption of the standard when effective will not result in changes in the company's accounting policies or result in any material impact on the financial statements of the company.

IND AS 115 Revenue from Contracts with Customers

IND AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 Revenue, IND AS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IND AS 115 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:

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 ACCOUNTING POLICIES (Continued)

iii) Impact of relevant new standards and amendments to published standards effective for the year ended 31 March 2017 and future annual periods (Continued)

IND AS 115 Revenue from Contracts with Customers (Continued)

Under IND AS 115, an entity recognises revenue 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 IND AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 115.

In April 2016, the IND ASB issued Clarifications to IND AS 115 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors do not anticipate that the adoption of IND AS 115 will have a significant impact on the company's financial statements

IND AS 116 Leases

IND AS 116 specifies how an entity will recognise, measure, present and disclose leases. The standard provides a single lease 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 lease, with IND AS 116, approach to lessor accounting unchanged from its predecessor, IND AS 17.

IND AS 116 applies to annual reporting periods beginning on or after 1 January 2019.The directors anticipate that the adoption of IND AS 116 will not have a significant impact on the company's financial statements.

Amendments to IND AS 7 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Company's financial statements.

Amendments to IND AS 12 Recognition of Deferred Tax Assets for Unrealized Losses
The amendments clarify the following:

- Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;

- When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;

1 ACCOUNTING POLICIES (Continued)

(iii) Impact of relevant new standards and amendments to published standards effective for the year ended 31 March 2017 and future annual periods (continued)

Amendments to IND AS 12 Recognition of Deferred Tax Assets for Unrealized Losses (Continued)

- The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and
- In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Company's financial statements.

iv) Early adoption of standards

The company did not early-adopt any new or revised standards and interpretations in 2017.

Basis of preparation

The company prepares its financial statements under the historical cost convention as modified by the revaluation of certain financial instruments which are accounted for at fair value, on the assumption that the company will continue trading as a going concern in the foreseeable future. The principal accounting policies adopted in the preparation of these financial statements, remain unchanged from the previous year and are set out 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 period net of value added tax, sales returns and trade discounts.

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.

Tax

The company operates in the Athi River Export Processing Zone and is exempt from taxation.

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.

1 ACCOUNTING POLICIES

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.

Receivables

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.

Payables

Payables are stated at their nominal value.

Provisions for liabilities and charges

Provisions 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 a reliable estimate of the amount can be made. Where the company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

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:

Critical judgments in applying accounting policies

Impairment losses

At each year end, the company reviews the carrying amounts of its 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 judgements are made by the company in classifying its financial assets and liabilities.

Key sources of estimation uncertainty

There are no 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.

3 GOING CONCERN

The company made a loss before tax of INR 12,80,422 during the year ended 31 March 2017 (2016: INR 29,90,028) and as at that date its total liabilities exceeded its total assets by INR 107,22,583 (2016: INR 98,48,698) and it had a shareholders' deficit of INR 107,22,583 (2016: INR 98,48,698). 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.

4. OTHER EXPENSES

Other Expenses		
Particulars	**31-Mar-17**	**31-Mar-16**
Rent	3,97,463	3,10,593
Auditor's Remuneration(including remuneration to Subsidiarie's auditors)	1,18,910	2,81,943
Exchange Loss Net	4,71,043	22,68,566
Bank Charges	22,994	15,627
Miscellaneous Expenses	2,70,012	1,13,298
Total	**12,80,422**	**29,90,028**

5 TAXATION

The company operates in the Athi River Export Processing Zone and is exempt from corporate taxation hence nil tax charge in 2017. However, it is required to pay tax on separate sources of income in accordance with the Kenyan Income Tax Act. The company earned interest income of INR 5,48,856 in 2016 that was considered a separate source of income which resulted in a tax charge of INR16,335. No interest income was earned in 2017.

6 CASH AND CASH EQUIVALENT

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	32,126	1,24,799
Total	**32,126**	**1,24,799**

6a. OTHER CURRENT ASSSETS

Particulars	31-Mar-17	31-Mar-16
Vat Recoverable	179,54,752.28	186,23,860.20
Prepayments	61,732.65	51,618.60
Others	57,953.10	60,112.80
Total	**180,74,438.03**	**187,35,591.60**

7. TRADE AND OTHER PAYABLES

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	-	-
Due to related parties	-	-
Redington Uganda Limited	28,39,702	19,68,694
Redington Gulf FZE UAE	257,05,979	262,62,106
(b) Other Payables	2,83,466	4,78,289
Total Trade Payables	**28829148**	**28709089**

9 RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability to control one party or exercise significant influence over the other party in making financial or operational decisions.

Due to Related Parties		
Particulars	**31-Mar-17**	**31-Mar-16**
Redington Kenya Limited	28,39,702	19,68,694
Redington Gulf FZE UAE	257,05,979	262,62,106
Total	**285,45,681**	**282,30,800**

10 FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to recognize potential adverse effects on its financial performance.

Risk management is carried out by the finance department under policies approved by the Board of Directors. The company has policies in place to ensure that sales are made to customers with an appropriate credit history.

Market Risk

(i) Foreign exchange risk

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities. Monetary assets and liabilities held in foreign currencies are closely monitored to ensure that they are not materially affected by adverse foreign currency fluctuations..

The company's foreign currencies denominated assets and liabilities at the reporting date can be analyzed as follows:

Particular	**31-Mar-17**	**31-Mar-16**
Foreign Exchange Risk		
Financial Assets		
Bank Balance	30,866	1,24,799
Fianancial Liabilities		
Due to Releted Party	273,03,469	282,30,800
Currency Gap	(272,72,603)	(281,06,001)

10 FINANCIAL RISK MANAGEMENT (Continued)

Market Risk *(Continued)*

(i) Foreign exchange risk

The following table details the Company's sensitivity to a 10% increase and decrease in the Sh against the US Dollar. 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:

Particular	10% increase	10% increase
31-Mar-17		
Effect on profit and equity	27,27,575	(27,27,575)
31-Mar-16		
Effect on profit and equity	28,10,927	(28,10,927)

(ii) Price risk

The company does not hold investments that would be subject to price risk; hence this risk is relevant.

(iii) Interest rate risk

The company does not hold any interest bearing assets or liabilities; hence is not subject to interest rate risk.

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 primarily from cash and cash equivalents with banks as well as trade and other receivables. The amount that best represents the company's maximum exposure to credit risk as at year end is made up as follows*:*

Particular	Fully Performin	Past Due	Total
31-Mar-17			
Bank Balances	21,84,075	-	21,84,075
31-Mar-16			
Bank Balances	81,09,860		81,09,860

The credit risk on liquid funds with financial institutions is also low, because the counter parties are banks with good credit-standing.

10 FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash to meet the obligations of the business. The finance manager reviews the cash forecast monthly and determines cash requirement.

The table below analyses the company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the end of reporting period date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Particular	**1-3 months**
31-Mar-17	
Financial Liabilities	
Due to related parties	19406,57,700
31-Mar-16	
Financial Liabilities	
Due to related parties	18345,26,760

11 CAPITAL 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 adjust the amount of dividends paid to shareholders or sell assets to reduce debt.

The constitution of capital managed by the company is as shown below:

Particular	**31-Mar-17**	**31-Mar-16**
Share Capital	42,82,500	42,46,000
Accumulated losses	(7332,49,650)	(6425,47,180)
Shareholders' Deficit	(7289,67,150)	(6383,01,180)

The company had no debt as at 31 March 2017 (2016: INR Nil) and was therefore not geared.

12 CAPITAL COMMITMENTS

The company had not entered into any capital commitments as at 31 March 2017 and as at 31 March 2016.

13 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period which should have been reported in the financial statements.

14 INCORPORATION

The company is domiciled and incorporated in Kenya under the Companies Act. The parent 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 presented in Indian Rupees which is the Reporting Currency of the holding Company.

REDINGTON UGANDA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2017

REDINGTON UGANDA LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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REDINGTON UGANDA LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS	Raj Shankar* Sriram Ganeshan** *Singapore **Indian
REGISTERED OFFICE	Plot 15, Mulwana Road, Industrial Area, Opposite Uganda Baati P O Box 33009 Kampala, Uganda
AUDITORS	Deloitte & Touche Certified Public Accountants (Uganda) 3rd Floor Rwenzori House 1 Lumumba Avenue P O Box 10314 Kampala, Uganda
BANKERS	Diamond Trust Bank Uganda Limited Diamond Trust Building Plot 17/19, Kampala Road P O Box 7155 Kampala, Uganda Stanbic Bank Uganda Limited Crested Towers Branch P O Box 7131, Kampala, Uganda

REDINGTON UGANDA LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report together with the audited financial statements for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is trading in computers, related peripherals and accessories and providing service to its customers.

The directors do not recommend the payment of a dividend in respect of the year (2016 - Nil).

DIRECTORS

The present membership of the board is as shown on page 2.

AUDITORS

The auditors, Deloitte & Touche, have expressed their willingness to continue in office in accordance with section 167 (2) of the Ugandan Companies Act, 2012.

BY ORDER OF THE BOARD

Director

Kampala

2017

REDINGTON UGANDA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Ugandan Companies Act, 2012 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. The Directors 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, the requirements of the Ugandan Companies Act, 2012 and the Uganda Insurance Act Cap 213, and for such internal controls 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.
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 Ugandan Companies Act, 2012 and the Uganda Insurance Act Cap 213. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of 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 these financial statements.

Signed on behalf of the board of Directors by;

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, set out on pages 9 to 37, which comprise the statement of financial position as at 31 March 2017, 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 notes.
In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the Company at 31 March 2017 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IND ASs"), the requirements of the Ugandan Companies Act, 2012 and the Ugandan Insurance Act Cap 213.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Other Information

The Directors are responsible for the other information, which comprises the information included in the 'Report of the Directors'. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

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 Ugandan Companies Act, 2012 and the Ugandan Insurance Act Cap 213 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF REDINGTON UGANDA LIMITED (CONTINUED)

Report on Other Legal Requirements

As required by the Ugandan Companies Act, 2012, 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 profit or loss and other comprehensive income (profit and loss account) are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor`s report is Norbert Kagoro Practicing No. P0053.

Certified Public Accountants (Uganda)

Norbert Kagoro
Partner

Kampala

REDINGTON UGANDA LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	**Note No.**	**Period ended March 31, 2017**	**Period ended March 31, 2016**
Comprehensive Income:			
(a).Revenue from operations		10125,48,703	7453,92,188
(b)Other gain / (losses)	6	18,98,425	48,392
(c).Total Revenue(a+b)		**10144,47,128**	**7454,40,580**
d.Expenses			
Purchase of traded goods	5	9897,91,147	6710,21,659
Changes in inventories	5	(106,63,777)	47,41,672
Employee Benefits	7	77,37,592	82,37,701
Depreciation & Amortisation		6,48,374	11,81,011
Other Expenses	7a	266,45,660	472,26,813
Total Expenses(d)		**10141,58,997**	**7324,08,856**
Profit before Corporate social responsibility expenditure and Tax		**2,88,132**	**130,31,723**
Profit before exceptional items and tax		**2,88,132**	**130,31,723**
e.Profit before tax (c-d)		**2,88,132**	**130,31,723**
Income Tax expense:			
Current tax		(86,467)	(43,64,829)
h.Profit for the Year (e-f-g)		**2,01,665**	**86,66,894**
Total Comprehensive Income for the Year attributable to (h+k)		2,01,665	86,66,894
Profit for the year attributable to the :-			
Shareholders of the Company		2,01,665	86,66,894
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		2,01,665	86,66,894

REDINGTON UGANDA LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017(In Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	10	6,29,599	13,20,511
Deferred Tax Assets (Net)		93,877	-
Total Non Current Assets		**7,23,476**	**13,20,511**
Current Assets			
Inventories	11	593,06,446	486,42,669
Trade receivables	12	2713,66,612	1622,00,600
Cash and bank balances	13	154,26,455	249,35,137
Other Current Assets	12a	133,02,147	464,56,816
Total Current assets		**3594,01,659**	**2822,35,222**
Total Assets		**3601,25,135**	**2835,55,732**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		2,69,813	2,95,500
Other Equity			
Share premium			
Other reserves		43,98,188	86,66,894
Retained earnings		88,68,559	56,58,118
Equity attributable to the owners of the Compan		**135,36,560**	**146,20,513**
Non-Controlling interests		-	-
Total Equity		**135,36,560**	**146,20,513**
Current Liabilities			
Financial Liabilities			
Trade and other payables	16	3465,88,575	2678,15,728
Deffered Tax Liabilities			11,19,492
Total Current Liabilities		**3465,88,575**	**2689,35,220**
Total Equity and Liabilities		**3601,25,135**	**2835,55,732**

REDINGTON UGANDA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	Share capital	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	2,95,500	86,66,894	56,58,118	146,20,513
Profit for the year		2,01,665		2,01,665
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	(12,85,617)	(12,85,617)
Deduction				-
Balance as at March 31, 2017	2,69,813	88,68,559	43,72,501	135,36,560

REDINGTON UGANDA LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	2,88,132	130,31,723
Adjustments for		
Depreciation	6,48,374	11,81,011
Change in Working capital		
Change in recievables	(1003,00,451)	(453,65,749)
Releted party due		
Inventories	(160,61,769)	58,20,681
Trade payables	(52,81,431)	37,36,442
Taxes paid	(69,065)	-
Net cash flow from operating activity	**(1207,76,209)**	**(215,95,893)**
Cash flow from investing activity		
Capital expenditure	(27,005)	(4,68,192)
Net cash in investing activity	(27,005)	(4,68,192)
Net increase in cash and cash equivalents	(1208,03,214)	(220,64,085)
Cash and Cash equivalents at the beginning of the year	249,35,137	126,71,434
Currency transalation asjustment	1112,94,532	343,27,788
Cash and Cash equivalents at the end of the year	**154,26,455**	**249,35,137**

1 GENERAL

Redington Uganda Limited is a limited liability company incorporated and domiciled in Uganda under the Ugandan Companies Act. It is a subsidiary of Redington Gulf FZE U.A.E, a company incorporated in Dubai, United Arab Emirates. The ultimate holding company is Redington (India) Limited, a company incorporated in India.

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 profit or loss and other comprehensive income.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND AS's)

2.1 Amendments to IFRS's that are mandatorily effective for the year ended 31 December 2016

The following amendments to IND ASs became mandatorily effective in the current year.

Amendments to IND AS 1 10, IND AS 1 12 and IND AS 28 Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IND AS 1 10. Consequential amendments have also been made to IND AS 28 to clarify that the exemption from applying the equity method is also applicable to an investor in an associate or joint venture if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value.

The amendments further clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

Moreover, the amendments clarify that in applying the equity method of accounting to an associate or a joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

Lastly, clarification is also made that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required by IND AS 1 12 Disclosures of Interests in Other Entities.

The amendments apply retrospectively.

The application of these amendments has not resulted in any impact on the financial performance or financial positon of the company.

Amendments to IND AS 1 11 Accounting for Acquisitions of Interests in Joint Operations (Effective for annual periods beginning on or after 1 January 2016)

The amendments to IND AS 1 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IND AS 10 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IND AS 10 3 and other standards (e.g. IND AS 12 Income Taxes regarding recognition of deferred taxes at the time of acquisition and IND AS 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.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND AS's) (CONTINUED)

2.1 Amendments to IND AS's that are mandatorily effective for the year ended 31 December 2016 (Continued)

Amendments to IND AS 1 11 Accounting for Acquisitions of Interests in Joint Operations (Effective for annual periods beginning on or after 1 January 2016) (Continued)

A joint operator is also required to disclose the relevant information required by IND AS 10 3 and other standards for business combinations.

The amendments apply prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute businesses as defined in IND AS 10 3) occurring from the beginning of annual periods beginning on or after 1 January 2016.

The application of these amendments has not resulted in any impact on the financial performance or financial positon of the company.

Amendments to IND AS 16 and IND AS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IND AS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IND AS 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 application of these amendments has not resulted in any impact on the financial performance or financial positon of the company.

Amendments to IND AS 1 Disclosure Initiative (Effective for annual periods beginning on or after 1 January 2016)

The amendments were a response to comments that there were difficulties in applying the concept of materiality in practice as the wording of some of the requirements in IND AS 1 had in some cases been read to prevent the use of judgement. Certain key highlights in the amendments are as follows:

- An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

- An entity need not provide a specific disclosure required by an IND AS if the information resulting from that disclosure is not material.
- In the other comprehensive income section of a statement of profit or loss and other comprehensive income, the amendments require separate disclosures for the following items:

  i) the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassified subsequently to profit or loss; and

  ii) the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified subsequently to profit or loss.

The application of these amendments has not resulted in any impact on the financial performance or financial positon of the company.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND AS's) (CONTINUED)

2.1 Amendments to IND AS's that are mandatorily effective for the year ended 31 December 2016 (Continued)

Amendments to IND AS 27 Equity Method in Separate Financial Statements (Effective for annual periods beginning on or after 1 January 2016)

The amendments focus on separate financial statements and allow the use of the equity method in such statements.

Specifically, the amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- at cost,
- in accordance with IND AS 10 9 (or IND AS 39 for entities that have not yet adopted IND AS 10 9), or
- using the equity method as described in IND AS 28 Investments in Associates and Joint Ventures.

The same accounting must be applied to each category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it should account for the change from the date when the change in status occurs.

The application of these amendments has not resulted in any impact on the financial performance or financial positon of the company.

Annual Improvements to IND ASs 2012 – 2014 Cycle

The Annual Improvements include amendments to a number of IND ASs, which have been summarised below:

Standard	**Subject of amendment**	**Details**
IND AS 10 5 Non-current Assets Held for Sale and Discontinued Operations	Changes in methods of disposal	The amendments introduce specific guidance in IND AS 10 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held for distribution accounting is discontinued.
IND AS 10 7 *Financial Instruments: Disclosures (*with consequential amendments to IND AS 10 1)	Servicing contracts Applicability of the amendments to IND AS 10 7 on offsetting disclosure to condensed interim financial statements	The amendments (i) provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets; and (ii) clarify that the offsetting disclosures are not explicitly required for all interim periods. However, the disclosures may need to be included in the condensed interim financial statements to company with IND AS 34 *Interim Financial Reporting.*

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND AS's) (CONTINUED)

2.1 Amendments to IND AS's that are mandatorily effective for the year ended 31 December 2016 (Continued)

Annual Improvements to IND ASs 2012 – 2014 Cycle (Continued)

Standard	Subject of amendment	Details
IND AS 19 *Employee Benefits*	Discount rate: regional market issue	The amendments clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level.
IND AS 34 *Interim Financial Reporting*	Disclosure of information included 'elsewhere in the interim financial report'	The amendments clarify the requirements relating to information required by IND AS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The application of these amendments has not resulted in any impact on the financial performance or financial positon of the company.

2.2 New and revised IND AS that are mandatorily effective (but allow early application) for the year ended 31 December 2016 but not effected

IND AS 1 14 Regulatory Deferral Accounts (Effective for first annual IND AS financial statements with annual periods beginning on or after 1 January 2016)

IND AS 1 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The Standard is available only to first-time adopters of IND ASs who recognised regulatory deferral account balances under their previous GAAP. IND AS 1 14 permits eligible first-time adopters of IND ASs to continue their previous GAAP rate-regulated accounting policies, with limited changes, and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit or loss and other comprehensive income. Disclosures are also required to identify the nature of, and risks associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances.

IND AS 1 14 is effective for an entity's first annual IND AS financial statements for annual periods beginning on or after 1 January 2016.

The application of these amendments has not resulted in any impact on the financial performance or financial positon of the company.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND AS's)(CONTINUED)

2.2 New and revised IND AS that are mandatorily effective (but allow early application) for the year ended 31 December 2016 but not effected (Continued)

IND AS 10 9 Financial Instruments (as revised in 2014) (Effective for annual periods beginning on or after 1 January 2018)

In July 2014, the IND ASB finalised the reform of financial instruments accounting and issued IND AS 10 9 (as revised in 2014), which contains the requirements for a) the classification and measurement of financial assets and financial liabilities, b) impairment methodology, and c) general hedge accounting. IND AS 10 9 (as revised in 2014) will supersede IND AS 39 Financial Instruments: Recognition and Measurement upon its effective date.

Phase 1: Classification and measurement of financial assets and financial liabilities

With respect to the classification and measurement, the number of categories of financial assets under IND AS 10 9 has been reduced; all recognised financial assets that are currently within the scope of IND AS 39 will be subsequently measured at either amortised cost or fair value under IND AS 10 9.

IND AS 10 9 also contains requirements for the classification and measurement of financial liabilities and derecognition requirements. One major change from IND AS 39 relates to the presentation of changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of that liability. Under IND AS 10 9, such changes are presented in other comprehensive income, unless the presentation of the effect of the change 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 IND AS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss.

Phase 2: Impairment of financial assets

The impairment model under IND AS 10 9 reflects expected credit losses, as opposed to incurred credit losses under IND AS 39. Under the impairment approach in IND AS 10 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

Phase 3: Hedge accounting

The general hedge accounting requirements of IND AS 10 9 retain the three types of hedge accounting mechanisms in IND AS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify as 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 no longer required. Far more disclosure requirements about an entity's risk management activities have been introduced.

The work on macro hedging by the IND ASB is still at a preliminary stage – a discussion paper was issued in April 2014 to gather preliminary views and direction from constituents with a comment period which ended in October 2014. The project is still under analysis at the time of writing.

The Directors of the Company anticipate that the application of IND AS 10 9 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IND AS 10 9 until the Company performs a detailed review.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND AS's)(CONTINUED)

2.2 New and revised IND AS that are mandatorily effective (but allow early application) for the year ended 31 December 2016 but not effected (Continued)

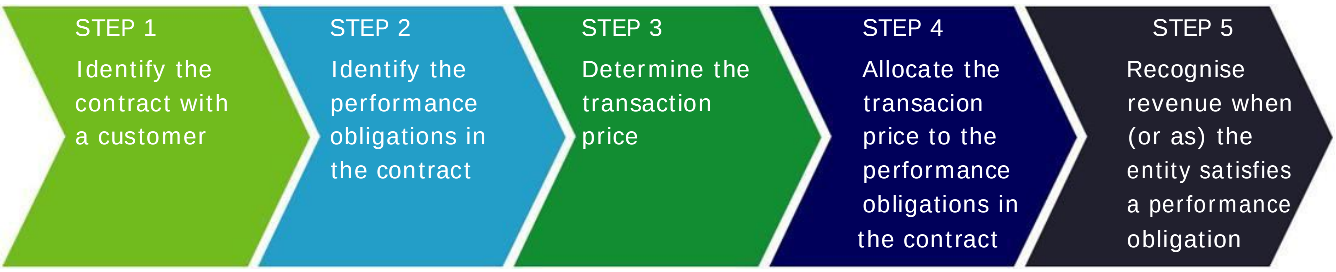
IND AS 10 9 Financial Instruments (as revised in 2014) (Effective for annual periods beginning on or after 1 January 2018) (Continued)

IND AS 1 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede the following revenue Standards and Interpretations upon its effective date: IND AS 18 Revenue; IND AS 11 Construction Contracts; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC 31 Revenue-Barter Transactions Involving Advertising Services.

Under IND AS 1 15, a customer of an entity is a party that has contracted with the entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration. Unlike the scope of IND AS 18, the recognition and measurement of interest income and dividend income from debt and equity investments are no longer within the scope of IND AS 1 15. Instead, they are within the scope of IND AS 39 (or IND AS 10 9 if it is early adopted).

The core principle of IND AS 1 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:

- 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 IND AS 1 15, an entity recognises revenue 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 IND AS 1 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 1 15.

The Directors of the Company anticipate that the application of IND AS 1 15 in the future may have a material impact on the amounts reported and disclosures made in the Company' financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IND AS 1 15 until the Company performs a detailed review.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND AS's)(CONTINUED)

2.2 New and revised IND AS that are mandatorily effective (but allow early application) for the year ended 31 December 2016 but not effected (Continued)

IND AS 1 16 Leases (Effective for annual periods beginning on or after 1 January 2019)

IND AS 1 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It will supersede the current lease Standard and Interpretations including IND AS 17 Leases, IFRIC 4, SIC-15 Operating Leases – Incentives, SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease upon its effective date.

In addition, IND AS 1 16 also provides guidance on the accounting for sale and leaseback transactions. Extensive disclosures are also required by the new Standard.

a) *Identification of a lease*

IND AS 1 16 applies a control model to the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. Control is considered to exist if the customer has:

i) the right to obtain substantially all of the economic benefits from the use of an identified asset; and

ii) the right to direct the use of that asset.

The Standard provides detailed guidance to determine whether those conditions are met, including instances where the supplier has substantive substitution rights, and where the relevant decisions about how and for what purpose the asset is used are predetermined.

b) *Lessee accounting*

IND AS 1 16 introduces significant changes to lessee accounting: it removes the distinction between operating and finance leases under IND AS 17 and requires a lessee to recognise a right-of-use asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses,

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

If a lessee elects not to apply the general requirements of IND AS 1 16 to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets, the lessee should recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis, similar to the current accounting for operating leases.

c) *Lessor accounting*

In contrast to lessee accounting, the IND AS 1 16 lessor accounting requirements remain largely unchanged from IND AS 17, which continue to require a lessor to classify a lease either as an operating lease or a finance lease.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND AS 's)(CONTINUED)

2.2 New and revised IND AS that are mandatorily effective (but allow early application) for the year ended 31 December 2016 but not effected (Continued)

IND AS 16 Leases (Effective for annual periods beginning on or after 1 January 2019)

c) *Lessor accounting (Continued)*

In addition, IND AS 1 16 also provides guidance on the accounting for sale and leaseback transactions. Extensive disclosures are also required by the new Standard. Due to the prominence of leasing transactions in the economy, many entities across different industries will be affected by IND AS 1 16.

IND AS 1 16 is effective for reporting periods beginning on or after 1 January 2019 with early application permitted for entities that apply IND AS 1 15 at or before the date of initial application of IND AS 1 16. A lessee can apply IND AS 1 16 either by a full retrospective approach or a modified retrospective approach. If the latter approach is selected, an entity is not required to restate the comparative information and the cumulative effect of initially applying IND AS 1 16 must be presented as an adjustment to opening retained earnings (or other component of equity as appropriate).

The application of these amendments has not resulted in any impact on the financial performance or financial positon of the company.

Amendments to IND AS 10 2 Classification and Measurement of Share-based Payment Transactions (Effective for annual periods beginning on or after 1 January 2018)

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.

2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority (typically in cash), i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

   i) the original liability is derecognised;
   ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
   iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

The application of these amendments has not resulted in any impact on the financial performance or financial positon of the company.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND AS's)(CONTINUED)

2.2 New and revised IND AS that are mandatorily effective (but allow early application) for the year ended 31 December 2016 but not effected (Continued)

Amendments to IND AS 1 10 and IND AS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Effective for annual periods beginning on or after a date to be determined)

The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. IND AS 28 and IND AS 1 10 are amended, as follows:

IND AS 28 has been amended to reflect the following:

Gains and losses resulting from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognised to the extent of unrelated investors' interests in the associate or joint venture.
Gains or losses from downstream transactions involving assets that constitute a business between an investor and its associate or joint venture should be recognised in full in the investor's financial statements.
Gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

In December 2015, the IND ASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Earlier application of these amendments is still permitted.

The application of these amendments has not resulted in any impact on the financial performance or financial positon of the company.

Amendments to IND AS 7 Disclosure Initiative (Effective for annual periods beginning on or after 1 January 2017)

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments do not prescribe a specific format to disclose financing activities; however, an entity may fulfil the disclosure objective by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. Entities are not required to present comparative information for earlier periods.

The application of these amendments has not resulted in any impact on the financial performance or financial positon of the company.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IND AS's)(CONTINUED)

2.2 New and revised IND AS that are mandatorily effective (but allow early application) for the year ended 31 December 2016 but not effected (Continued)

IND AS 1 16 Leases (Effective for annual periods beginning on or after 1 January 2019) Amendments to IND AS 12 Recognition of Deferred Tax Assets for Unrealised Losses (Effective for annual periods beginning on or after 1 January 2017)

The amendments clarify the following:

Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;

When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;

The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and

In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted

The application of these amendments has not resulted in any impact on the financial performance or financial positon of the company.

2.3 Early adoption of standards

The company did not early adopt any new or amended standards in 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

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 prior year.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IND AS) as issued by the International Accounting Standards Board (IND ASB), and the Uganda Companies Act (Cap 110).

BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis of accounting and in accordance with International Financial Reporting Standards.

3 SIGNIFICANT ACCOUNTING POLICIES

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Indian Rupees (INR), which is also the company's functional currency.

USE OF JUDGMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgments, 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 judgment or complexity or where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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 RECOGNITION

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.

EQUIPMENT

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	20.00%
Motor vehicles	33.33%
Office equipment	20.00%
Computers	33.33%

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized 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 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 realizable 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 weighted average method. Net realizable 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 amortized cost as reduced by appropriate allowance for estimated doubtful debts.

PROVISIONS

Provisions are recognized 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 recognized 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 recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

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.

COMPARATIVES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized 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 amortized cost as reduced by appropriate allowance for estimated doubtful debts.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Trade and other payables

Trade and other payables are measured at their amortized cost.

Due from/to related parties

Amounts due from/to related parties are measured at their amortized 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 recognized in the financial statements (apart from those involving estimations, which are dealt with separately 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.

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.

4 CRITICAL JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its 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 and obsolete inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

E*quipment*

The cost of 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.

5 COST OF SALES

Particular	**31-Mar-17**	**31-Mar-16**
Opening stock	486,42,669	533,84,340
Purchases	9897,91,147	6710,21,659
Closing stock	593,06,446	486,42,669
Cogs	9791,27,371	6757,63,331

6 OTHER INCOME

Particulars	**31-Mar-17**	**31-Mar-16**
Provision no longer required for Bad Debt	14,46,013	-
Other Non operating income	4,52,412	48,392
Total	**18,98,425**	**48,392**

7. EMPLOYEE BENEFIT EXPENSES

Particulars	31-Mar-17	31-Mar-16
Salaries and Bonus	77,37,592	82,37,701
Total	**77,37,592**	**82,37,701**

7a. OTHER EXPENSES

Particulars	31-Mar-17	31-Mar-16
Rent	64,09,552	73,67,061
Freight	28,23,213	40,18,577
Repairs and Maintenance	16,92,628	12,83,147
Utilities	8,48,351	7,46,818
Insurance	2,18,951	9,68,934
Communication	14,30,978	16,71,340
Sales promotion expense	6,68,569	16,48,830
Travel	20,39,659	11,16,540
Professional Charges	3,19,618	3,60,193
Warehouse handling Charges	1,43,561	47,157
(Reversal of)/ Provision for Obsolet and slow moving inventories (Note 8)	(2,98,045)	2,97,331
Provision for Doubtful receivables	-	9,85,032
Auditor's Remuneration(including remuneration to Subsidiarie's auditors)	3,40,396	8,29,582
Exchange Loss Net	71,17,426	214,33,267
Bank Charges	2,30,358	1,17,979
Postage and Stationary	1,73,981	1,58,018
Cash Discount on Sales	24,53,562	41,60,595
Licence Fee	31,448	16,412
Miscellaneous Expenses	1,455	-
Total	**266,45,660**	**472,26,813**

REDINGTON UGANDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

10 EQUIPMENT

Description	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost					
As at 01.04.16	28,90,266	25,64,132	10,91,065	21,57,150	87,02,613
Additions	-	-	27,005	-	27,005
Assets of Subsidiaries acquired	-	-	-	-	-
Disposal	-	-	-	-	-
Translation adjustments	(2,51,245)	(2,22,895)	(96,811)	(1,87,517)	(7,58,468)
As at 31.03.17	**26,39,021**	**23,41,237**	**10,21,259**	**19,69,633**	**79,71,150**
Accumulated Depreciations					
As at 01.04.16	27,29,908	16,36,440	9,23,556	20,92,199	73,82,102
Additions	1,16,809	3,21,442	1,46,161	63,962	6,48,374
Assets of subsidiaries acquired	-	-	-	-	-
Disposals	-	-	-	-	-
Disposal of Assets of EA					-
Translation adjustments	(2,45,811)	(1,65,659)	(90,926)	(1,86,528)	(6,88,925)
As at 31.03.17	**26,00,905**	**17,92,222**	**9,78,791**	**19,69,633**	**73,41,551**
Carrying Amount					
As at 01.04.16	**1,60,358**	**9,27,693**	**1,67,509**	**64,951**	**13,20,511**
As at 31.03.17	**38,116**	**5,49,015**	**42,469**	**-**	**6,29,599**

11 INVENTORIES

Particulars	31-Mar-17	31-Mar-16
(a) Trading Stocks	593,06,446	486,42,669
Total	**59306446**	**486,42,669**

12 TRADE AND OTHER RECEIVABLES

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	2689,50,295	1635,25,011
Less: Allowance for doubtful debts	(1,37,209)	(16,18,611)
(c) Receivables from related parties		
Redington Gulf FZE U.A.E	-	2,94,199.80
Ensure Services Limited	25,53,526	-
Total Trade and other receivable	**2713,66,612**	**1622,00,600**

The average credit period is 30 days upon delivery of the goods. No interest is charged on overdue amounts. An allowance has been made for amounts whose collectability is in doubt.

12a. OTHER CURRENT ASSETS

Particulars	31-Mar-17	31-Mar-16
Advances to Employees	77,706.07	1,79,762.50
Vat Recoverable	43,37,006.28	350,70,865.90
Corporate Tax Recoverable	86,35,141.54	106,97,218.20
Prepayments	2,52,292.92	5,08,969.20
Total	**133,02,146.81**	**464,56,815.80**

13 BANKS AND CASH BALANCES

Particulars	31-Mar-17	31-Mar-16
(a) Balances with banks	154,26,455	249,35,137
Total	**154,26,455**	**249,35,137**

14 RELATED PARTY BALANCES AND TRANSACTIONS

(a) Related parties

Redington Gulf FZE U.A.E
Redington Middle East LLC U.A.E
Redington Africa Distribution FZE
Redington Egypt Limited
Redington Nigeria Limited
Redington Kenya Limited
Redington Kenya (EPZ) Limited
Redington Qatar WLL
Redington Qatar Distribution
Redington (India) Limited
Redington Gulf & Co LLC
Redington Kuwait Service
Redington Kuwait Distribution
Redington Arabia Limited
Redington Bahrain SPC
Redington Singapore PTE
Redington Libya
Redington Ghana
Cadensworth UAE LLC
Cadensworth FZE U.A.E
Redington International Holdings Limited

The companies are related through common shareholding. The ultimate holding company is Redington (India) Limited, a company incorporated in India.

(b) Amounts due from related companies

Due from Related Parties		
Particulars	**31-Mar-17**	**31-Mar-16**
Redington Gulf FZE U.A.E	-	2,94,200
Ensure Services Limited	25,53,526	-
Total	**25,53,526**	**2,94,200**

(c) Amounts due to related companies

Due to Related Parties		
Particulars	**31-Mar-17**	**31-Mar-16**
Redington Gulf FZE	3447,10,408	2603,95,723
Total	**3447,10,408**	**2603,95,723**

The amounts due to and from related parties are denominated in US Dollars, are unsecured and interest free.

	2017	2016
(d) Directors' emoluments		
Directors fees	-	-
	========	=======

(e)Related party transactions

Purchase from Related Parties		
Particulars	**31-Mar-17**	**31-Mar-16**
Redington Gulf FZE U.A.E	9790,30,816	6664,35,913
Redington Kenya Limited	-	15,19,204
Redington Tanzania	-	19,87,553
Redington Saudi Arabia Distribution company	161,58,285	-
Total	**9790,30,816**	**6679,55,117**

Sales to Related Parties		
Particulars	**31-Mar-17**	**31-Mar-16**
Redington Tanzania	-	1,02,450
Redington Kenya Limited	-	4,66,016
Total	-	**1,02,450**

16 TRADE AND OTHER PAYABLES

Particulars	**31-Mar-17**	**31-Mar-16**
(a) Trade Payables	2,56,304	14,78,426
Due to related parties		
Redington Uganda Limited	3447,10,408	2603,95,723
(b) Other Payables	16,21,862	59,41,579
Total Trade Payables	**346588575**	**267815728**

The average repayment period for trade payables is 60 days. No interest is charged on overdue amounts.

17 FINANCIAL RISK MANAGEMENT

The company has exposure to the following risks from its use of financial instruments

- Credit Risk
- Liquidity Risk
- Market Risk
- Capital Management

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.

17 FINANCIAL RISK MANAGEMENT (CONTINUED)

.

a) Credit risk (Continued)

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.

The company holds no collateral for the trade debtors.

The amounts that best represents the company's maximum exposure to credit as at 31 March 2017 are as follows:

31-Mar-17

Particular	Fully Performing	Past due	Impaired	Total
Financial assets				
Bank balances	154,26,455	-	-	154,26,455
Trade receivables	2688,13,086	-	-	2688,13,086
Other receivables	46,67,005	-	-	46,67,005
Amounts due from related parties	25,53,526	-	-	25,53,526
Total	2914,60,072	-	-	2914,60,072

The amount that best represents the company's maximum exposure to credit as at 31 March 2016 are made as follows:

Particular	Fully Performing	Past due	Impaired	Total
Financial assets				
Bank balances	249,35,137	-	-	249,35,137
Trade receivables	1619,06,400	-	16,18,611	1635,25,011
Other receivables	1,79,763	-	-	1,79,763
Amounts due from related parties	2,94,200	-	-	2,94,200
Total	1873,15,500	-	16,18,611	1889,34,111

(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.

17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk management (Continued)

The table below analyses the company's financial instruments into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particular	Less than 1 Year	Between 1 and 2 years	Between 2 and 5 years	Over 5 year	Total
As at 31 March 2017					
Financial assets					
Bank balances	154,26,455	-	-	-	154,26,455
Trade receivables	2688,13,086	-	-	-	2688,13,086
Other receivables	46,67,005	-	-	-	46,67,005
Amounts due from related parties	25,53,526	-	-	-	25,53,526
Total	2914,60,072	-	-	-	2914,60,072
Financial liabilities		-	-	-	
Due to related parties	3447,10,408	-	-	-	3447,10,408
Trade and other payables	18,78,149	-	-	-	18,78,149
Total	3465,88,557	-	-	-	3465,88,557
		-	-	-	
Net liquidity gap	(551,28,485)	-	-	-	(551,28,485)
		-	-	-	
As at 31 March 2016		-	-	-	
Financial assets		-	-	-	
Bank Balance and fixed deposits	249,35,137	-	-	-	249,35,137
Trade receivables	1619,06,400	-	-	-	1619,06,400
Other receivables	1,79,763	-	-	-	1,79,763
Amounts due from related parties	2,94,200	-	-	-	2,94,200
Total	1873,15,500	-	-	-	1873,15,500
Financial liabilities		-	-	-	
Due to related parties	2603,95,723	-	-	-	2603,95,723
Trade and other payables	74,20,005	-	-	-	74,20,005
Total	2678,15,728	-	-	-	2678,15,728
		-	-	-	
Net liquidity gap	(805,00,228)	-	-	-	(805,00,228)

REDINGTON UGANDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk

(i) Foreign exchange risk

The company undertakes 90% of its transactions denominated in, mainly, US Dollars. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

Particular	US$	GBP	EURO	ZAR	Total
As at 31 March 2017					
Financial assets					
Cash and bank balances	142,52,751	-	-	-	142,52,751
Trade and other receivables	2693,88,075	-	-	-	2693,88,075
Amounts due from related parties	25,10,248	-	-	-	25,10,248
Total assets	2861,51,074	-	-	-	2861,51,074
Financial liabilities					
Trade and other payables	2,43,353	-	-	-	2,43,353
Amounts due to related parties	3455,72,424	-	-	-	3455,72,424
Total liabilities	3458,15,777	-	-	-	3458,15,777
As at 31 March 2016					
Financial assets					
Cash and bank balances	204,86,271	-	-	-	204,86,271
Trade and other receivables	1804,91,821	-	-	-	1804,91,821
Amounts due from related parties	-	-	-	-	-
Total assets	2009,78,093	-	-	-	2009,78,093
Financial liabilities					
Trade and other payables	67,74,998	-	-	-	67,74,998
Amounts due to related parties	2369,39,331	-	-	-	2369,39,331
Total liabilities	2437,14,329	-	-	-	2437,14,329

(ii) 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 rat

17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Interest rate risk (Continued)

(d) 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 optimisation 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 2017 (2016: Nil).

18 ULTIMATE HOLDING COMPANY

The company is a subsidiary of Redington Gulf FZE U.A.E., a company incorporated and domiciled in Dubai, United Arab Emirates. The ultimate holding company is Redington (India) Limited, a company incorporated in India.

19 CONTINGENT LIABILITY

The company had no contingent liability as at year end.

20.ThePresentationcurrencyisIndianRupees

Cadensworth United Arab Emirates (LLC)
Dubai - United Arab Emirates

Reports and financial statements
for the year ended 31 March 2017

Cadensworth United Arab Emirates (LLC)

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MANAGER'S REPORT

The Manager has pleasure in submitting their report and the audited financial statements for the year ended 31 March 2017.

Incorporation and registered offices

Cadensworth United Arab Emirates (LLC) (the "Company"), a limited liability company, was incorporated in Dubai, United Arab Emirates on 23 April 2009.

The address of the registered office of the Company is P.O. Box 12816, Dubai, United Arab Emirates.

Principal activities

The Company is an authorized distributor of information technology products and spare parts for global vendors in the Middle East.

Financial position and results

The financial position and results of the Company for the year ended 31 March 2017 are set out in the accompanying financial statements.

Auditors

The financial statements for the year ended 31 March 2017 have been audited by Deloitte & Touche (M.E.) and, being eligible, offer themselves for reappointment.

Manager
11 May 2017

INDEPENDENT AUDITOR'S REPORT

The Shareholder
Cadensworth United Arab Emirates (LLC)
Dubai
United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Cadensworth United Arab Emirates (LLC), Dubai, United Arab Emirates** (the "Company"), which comprise the statement of financial position as at 31 March 2017, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with Indian Accounting Standard (IND AS).

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's financial statements in the United Arab Emirates (U.A.E.), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Manager's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Cont'd…

INDEPENDENT AUDITOR’S REPORT (continued)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the articles of association of the Company and U.A.E. Federal Law No. (2) of 2015, 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.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on Other Legal and Regulatory Requirements

As required by the U.A.E. Federal Law No. (2) of 2015, we report that:

i) we have obtained all the information we considered necessary for the purposes of our audit;

ii) the financial statements of the Company have been prepared and comply, in all material respects, with the applicable provisions of the U.A.E. Federal Law No. (2) of 2015;

iii) the Company has maintained proper books of account;

iv) the financial information included in the report of the Manager is consistent with the books of account of the Company;

v) the Company has not purchased or invested in any shares during the year ended 31 March 2017;

vi) Note 7 to the financial statements of the Company discloses material related party transactions, the terms under which they were conducted and principles of managing conflict of interests; and

Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2017 any of the applicable provisions of the U.A.E. Federal Law No. (2) of 2015 or of its Articles of Association which would materially affect its activities or its financial position as at 31 March 2017.

Deloitte & Touche (M.E.)

Cynthia Corby
Registration No. 995
14 May 2017
Dubai, United Arab Emirates

Statement of financial position
as at 31 March 2017(In Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	5	15,33,443	4,97,276
Total Non Current Assets		**15,33,443**	**4,97,276**
Current Assets			
Inventories	6	490,17,112	19923,05,529
Financial assets			
(i) Trade receivables	8	3787,89,896	54316,82,736
(ii) Cash and bank balances	9	43,51,216	56,65,326
(iii) Other financial assets	7	24,18,735	18,03,750
Other Current Assets	7	74,17,872	50,33,094
Total Current assets		**4419,94,832**	**74364,90,435**
Total Assets		**4435,28,274**	**74369,87,711**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital	10	52,96,500	54,11,250
Other Equity			
Other reserves	11	286,96,321	153,92,802
Retained earnings		557,37,410	282,75,462
Equity attributable to the owners of the Company		**897,30,231**	**490,79,514**
Non-Controlling interests		-	-
Total Equity		**897,30,231**	**490,79,514**
Non-Current Liabilities			
Provisions	12	69,90,921	-
Total Non-current Liabilities		**69,90,921**	**-**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	13	3411,53,621	73828,35,997
Other Current Liablities	13	56,53,502	50,72,199
Total Current Liabilities		**3468,07,122**	**73879,08,197**
Total Equity and Liabilities		**4435,28,274**	**74369,87,711**

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Director

The accompanying notes form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income for the year ended 31 March 2017 (In Indian Rupees)

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations		118417,25,222	49204,70,350
(c) Total Revenue(a+b)		**118417,25,222**	**49204,70,350**
(d) Expenses			
Purchase of traded goods		97831,83,347	68719,77,825
Changes in inventories		19432,88,417	(19841,59,092)
Employee Benefits	14	478,49,436	-
Depreciation & Amortisation	5	3,45,156	23,929
Other Expenses	15	240,08,633	199,40,510
Total Expenses(d)		**117986,74,989**	**49077,83,173**
Profit before Corporate social responsibility expenditure and Tax		430,50,233	126,87,177
Profit before exceptional items and tax		430,50,233	126,87,177
e.Profit before tax (c-d)		**430,50,233**	**126,87,177**
h.Profit for the Year (e-f-g)		**430,50,233**	**126,87,177**
Total Comprehensive Income for the Year attributable to (h+k)		430,50,233	126,87,177
Profit for the year attributable to the :-			
Shareholders of the Company		430,50,233	126,87,177
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		430,50,233	126,87,177

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
for the year ended 31 March 2017 (In Indian Rupees)

Particulars	Share capital	Statutory Reserve	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	54,11,250	27,05,625	126,87,177	282,75,462	490,79,514
Profit for the year			430,50,233		430,50,233
Dividend paid			-		-
Other comprehensive income					-
Foreign currency adustment					-
Additions during the year		-	-	(23,99,516)	(23,99,516)
Deduction					-
Balance as at March 31, 2017	52,96,500	26,48,250.00	557,37,410	258,75,946	897,30,231

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
for the year ended 31 March 2017 (In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	430,50,232.91	126,87,177.22
Adjustments for		
(Reversal of allowance)/allowance for doubtful debts	(4,05,790.13)	151,04,794.73
Provision for Gratuity	72,18,758.32	-
Depritiation	3,45,155.87	23,929.40
Change in Working capital		
Increase in inventories	19629,95,712.95	(19582,11,850.82)
Prepaid expenses and other assets	48116,08,124.06	(48573,96,805.70)
Decrease/(increase) in trade and other receivables	2841,82,217.62	(4799,84,691.18)
Related parties due Net	(71090,00,828.68)	72682,09,689.00
Trade and other payables	1,99,513.33	56,45,434.03
Net cash flow from operating activity	**1,93,096.24**	**60,77,676.68**
Cash flow from investing activity		
Purchase of property and equipment	(14,25,980.68)	(4,85,923.56)
Net cash in investing activity	(14,25,980.68)	(4,85,923.56)
Net increase in cash and cash equivalents	(12,32,884.45)	55,91,753.12
Cash and Cash equivalents at the beginning of the year	56,65,326.23	415.86
Currency transalation asjustment	(81,225.79)	73,157.25
Cash and Cash equivalents at the end of the year	**43,51,215.99**	**56,65,326.23**

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements
for the year ended 31 March 2017(In Indian Rupees)

1. Status and operations

Cadensworth United Arab Emirates (LLC) (the "Company") was incorporated on 23 April 2009 as a limited liability company under the U.A.E. Commercial Law. The Parent Company of the Company is Redington Gulf FZE. The ultimate controlling party is Redington (India) Limited.

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.

The UAE Federal Law No. 2 of 2015 ("Commercial Law") has come into force on 1 July 2015. The Company has twenty-four months from the effective date of the Companies Law to comply with its provisions ("the transitional provisions") and the Company has availed of these transitional provisions.

2. Application of new and revised Indian Accounting Standard (IND AS)

2.1 New and revised IND ASs applied with no material effect on the financial statements

The following new and revised IND ASs, which became effective for annual periods beginning on or after 1 April 2016, have been adopted in these financial statements. The application of these revised IND ASs 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.

- IND AS 114 *Regulatory Deferral Accounts.*
- Amendments to IND AS 1 *Presentation of Financial Statements* relating to Disclosure initiative.
- Amendments to IND AS 111 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations.
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation.
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 41 *Agriculture*: Bearer Plants.
- Amendments to IND AS 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.
- Amendments to IND AS 110 *Consolidated Financial Statements*, IND AS 112 *Disclosure of Interests in Other Entities* and IND AS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities.
- Annual Improvements to IND ASs 2012 - 2014 Cycle covering amendments to IND AS 105, IND AS 107, IND AS 19 and IND AS 34.

2.2 New and revised IND AS in issue but not yet effective

The Company has not yet applied the following new and revised IND ASs that have been issued but are not yet effective:

New and revised IND ASs	***Effective for annual periods beginning on or after***
Annual Improvements to IND AS Standards 2014 - 2016 Cycle amending IND AS 101, IND AS 112 and IND AS 28	The amendments to IND AS 101 and IND AS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IND AS 112 for annual periods beginning on or after 1 January 2017

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND ASs	***Effective for annual periods beginning on or after***
Amendments to IND AS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses	1 January 2017
Amendments to IND AS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	1 January 2017
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: ▪ there is consideration that is denominated or priced in a foreign currency; ▪ the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and ▪ the prepayment asset or deferred income liability is non-monetary.	1 January 2018
Amendments to IND AS 102 *Share Based Payment* regarding classification and measurement of share based payment transactions	1 January 2018
Amendments to IND AS 104 *Insurance Contracts*: Relating to the different effective dates of IND AS 109 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IND AS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	1 January 2018
Amendments to IND AS 107 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IND AS 109	When IND AS 109 is first applied
IND AS 107 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IND AS 109	When IND AS 109 is first applied

Notes to the financial statements
for the year ended 31 March 2017 (continued)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND ASs	***Effective for annual periods beginning on or after***
IND AS 109 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014)	1 January 2018

IND AS 109 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IND AS 109 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 IND AS 109 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.

A finalised version of IND AS 109 which contains accounting requirements for financial instruments, replacing IND AS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- ***Classification and measurement:*** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IND AS 109 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IND AS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- ***Impairment:*** The 2014 version of IND AS 109 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised
- ***Hedge accounting:*** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- ***Derecognition:*** The requirements for the derecognition of financial assets and liabilities are carried forward from IND AS 39.

IND AS 115 *Revenue from Contracts with Customers*	1 January 2018

In May 2014, IND AS 115 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 *Revenue*, IND AS 11 *Construction Contracts* and the related interpretations when it becomes effective.

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND ASs	***Effective for annual periods beginning on or after***
IND AS 115 *Revenue from Contracts with Customers (continued)*	
The core principle of IND AS 115 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 IND AS 115, 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 IND AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 115.	
Amendments to IND AS 115 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018
IND AS 116 *Leases*	1 January 2019
IND AS 116 specifies how an IND AS 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 IND AS 116's approach to lessor accounting substantially unchanged from its predecessor, IND AS 17.	
Amendments to IND AS 110 *Consolidated Financial Statements* and IND AS 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

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements of the Company in the period of initial application.

3. Significant accounting policies

Statement of compliance

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

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.

The U.A.E. Federal Law No. (2) of 2015 ("Companies Law") has come into force on 1 July 2015. The Company has 24 months from the effective date of the Companies Law to comply with its provisions (the "transitional provision") and the Company has availed the transitional provision.

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. Cost is calculated using weighted average cost method. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Equipment

Equipment is stated 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 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 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 recognised in profit or loss.

3. Significant accounting policies (continued)

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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised 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 recognised for the asset (or 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.

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 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 Company; and,
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

3. Significant accounting policies (continued)

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 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 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 recognised 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 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.

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.

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 financial assets held by the Company are classified as loans and receivables.

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), cash and cash equivalents 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 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.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

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.

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 of the Company’s financial liabilities 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 recognised 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 recognised in profit or loss.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

4. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Company's accounting policies

The following are the critical judgements (apart from those involving estimations, which are dealt with below) that management has made in the process of applying the Company's accounting policies, which are described in Note 3 to the financial statements, and that have the most significant effect on the amounts recognised 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 IND AS 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, 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.

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

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.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Useful lives of equipment

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 are allocated to the Company on the basis of predetermined rates. The predetermined rates are estimated by the management on the basis of utilization of the resources.

5. Equipment

Description	Computers	Total
Cost		
As at 01.04.16	653,805	653,805
Additions	1,425,981	1,425,981
Translation adjustments	(58,871)	(58,871)
As at 31.03.17	**2,020,915**	**2,020,915**
Accumulated Depreciations		
As at 01.04.16	156,529	156,529
Additions	345,156	345,156
Translation adjustments	(14,213)	(14,213)
As at 31.03.17	**487,472**	**487,472**
Carrying Amount		
As at 01.04.16	**497,276**	**497,276**
As at 31.03.17	**1,533,443**	**1,533,443**

6. Inventories

Particulars	31-Mar-17	31-Mar-16
Trading Stocks	490,17,112	19923,05,529
Total	**490,17,112**	**19923,05,529**

Notes to the financial statements
for the year ended 31 March 2017 (continued)

7. Related party transactions

a) The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IND AS) 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.

b) At the reporting date, balances with related parties were as follows:

Due from Related Parties		
Particulars	**31-Mar-17**	**31-Mar-16**
Parent Company	-	37532,45,218.61
Entity under common management/control	1568,34,343.71	11676,86,404.46
Total	**1568,34,343.71**	**49209,31,623.08**

Due to Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Entity under common management/control	3409,59,151	73821,30,930
Total	**3409,59,151**	**73821,30,930**

c) The following is a summary of transactions with related parties, which are included in the financial statements:

Paticular	**31-Mar-17**	**31-Mar-16**
Parent Company		
Rebates	12603,57,640	5933,38,808
Entities under common management/control		
Sales	3892,55,245	11422,10,713
Purchases	110059,04,017	74316,24,562
Salaries [Note 7(d) and Note 15]	478,49,436	-
Expenses recharged by a related party [Note 7(e)]:	-	-
Transportation (Note 14)	92,97,897	21,37,373
Repairs and maintenance (Note 14)	30,69,103	20,475
Security (Note 14)	25,23,541	-
Depreciation of equipment (Note 14)	3,45,156	23,929
License fee (Note 14)	2,85,415	-
Other general and administrative expenses (Note 14)	11,45,251	2,78,749
Warehouse rent (Note 15)	38,78,204	11,32,463
Insurance (Note 15)	38,44,588	12,60,246
Other selling and distribution expenses (Note 15)	3,70,423	6,410

d) In 2016, the salaries of the Company's employees are being paid by a related party and are not being recharged to the Company. In 2017, the related party has started to recharge salaries to the Company. Also, the Company is managed directly by the Parent Company. Compensation of key management personnel are not re-charged to the Company

e) The Company is being recharged by the related party for the expenses paid by the related party on the Company's behalf.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

8. Trade and other receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	2382,61,216	5342,73,870
Considered Doubtful	-	-
Less:Allowance for doubtful debts	(163,05,664)	(235,22,758)
(c) Receivables from releted parties		
Redington Gulf FZE U.A.E	-	37532,45,218.61
Ensure Services Limited	1568,34,344	11676,86,404.46
Total Trade and other receivable	**3787,89,896.43**	**54316,82,735.70**

The management considers that the carrying amount of trade and other receivables approximates their fair value.

The average credit period on sale of goods is 30 days (2016: 50 days). No interest is charged on the past due trade receivables.

Ageing of past due trade receivables but not impaired:

Particulars	31-Mar-17	31-Mar-16
Upto 1 month	-	2277,83,376.11
1 to 2 months	-	1421,27,563.50
2 to 3 months	-	40,25,482.99
Over 3 months	-	134,20,765.80
Total	-	**3873,57,188.40**

Movement in the allowance for doubtful debts:

Particulars	31-Mar-17	31-Mar-16
Balance at the beginning of the year	235,22,758	77,54,399
(Reversal of allowance)/allowance during the year	(4,05,790)	151,04,795
Written-off during the year	(65,31,436)	-
Balance at the end of the year	163,05,664	235,22,758

8. Trade and other receivables (continued)

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 except as disclosed in this note. Accordingly, management believes that there is no further credit allowance required in excess of the allowance for doubtful debts.

Ageing of impaired trade receivables:

	31-Mar-17	31-Mar-16
Over 90 days past due	163,05,664	235,22,758

Other financial assets

Particulars	31-Mar-17	31-Mar-16
Deposits	24,18,735.00	18,03,750.00
Total	**24,18,735.00**	**18,03,750.00**

Other current assets

Particulars	31-Mar-17	31-Mar-16
Prepayments	30,89,130.66	6,10,569.38
Others	43,28,741.18	44,22,524.44
Total	**74,17,871.84**	**50,33,093.81**

9. Cash and cash equivalents

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	30,066.47	14,21,427.15
(b) Balances with banks		
(i) In current accounts	43,21,149.53	42,43,899.08
Total	**43,51,215.99**	**56,65,326.23**

10. Share Capital:

Equity Share Capital	10	5,296,500	5,411,250

11. Statutory reserve

Statutory reserve is created by allocating 10% of the net profit for the year of the Company as required by Article 255 of the U.A.E. Federal Commercial Companies Law No. (2) of 2016, until the reserve reached at least 50% of its paid-up share capital. The reserve is not available for distribution except as provided in the U.A.E. 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.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

12. Provision for employees' end-of-service indemnity

Particulars	31-Mar-17	31-Mar-16
Balance at January 1, 2016	-	-
Charge for this year	72,18,758.32	-
Currency translation adjustment	(2,27,837.35)	-
Balance at December 31, 2016	69,90,920.97	-

13. Trade and other payables

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	1,94,470	7,05,068
Due to related parties	-	-
Redington Uganda Limited	3409,59,151	73821,30,930
Redington Gulf FZE UAE	-	-
Total Trade Payables	**3411,53,621**	**73828,35,997**

Other Current Liabilities

Other Current liablities		
Particulars	**31-Mar-17**	**31-Mar-16**
(a) Advances/Deposit received from customers	46,36,573.76	36,29,199.11
(f) Other Liabilities	10,16,928.00	14,43,000.00
Total	**56,53,501.76**	**50,72,199.11**

14. Employee Benefits

Particulars	31-Mar-17	31-Mar-16
Salaries	478,49,436	-
Total	**478,49,436**	**-**

15. Selling and distribution expenses

Other Expenses		
Particulars	**31-Mar-17**	**31-Mar-16**
Rent	38,78,204	11,32,463
Freight	92,97,897	21,37,373
Repairs and Maintenance	30,69,103	20,475
Insurance	38,44,588	12,60,246
Security Charges	25,23,541	-
Miscellaneous Expenses	13,95,299	153,89,953
Total	**240,08,633**	**199,40,510**

16. 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

Financial Assets	31-Mar-17	31-Mar-16
Loans and receivables (including cash	389,888,588.60	5,443,574,336.36

Financial liabilities		
At amortized cost	342,170,548.67	7,384,278,997.39

c) Fair Value

The fair value of financial assets and financial liabilities approximate the carrying values as of 31 March 2017 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.

16. 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 2017, the Company does not have any significant exposure to interest rate risk because the Company does not have any interest-bearing liabilities.

c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, 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 financial liabilities.

All of the Company's financial assets and financial liabilities are due to be settled within one year from the reporting date.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

17. Financial risk management (continued)

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.

18. 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 share capital, statutory reserves and retained earnings.

19. Reclassifications

In accordance with requirements of IND AS 1 Presentation of Financial Statements and IND AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, certain items have been corrected retrospectively and accordingly balances in the statement of comprehensive income for the prior year ended 31 March 2016, as previously reported have been reclassified as follows:

Particular	As previously reported	Reclassifications	As reclassified
Revenue	49278,87,646	(74,17,296)	49204,70,350
Cost of sales	48952,36,029	(74,17,296)	48878,18,733
General and administrative expenses	48,53,235	(23,92,709)	24,60,527
Selling and distribution expenses	6,410	23,92,709	23,99,119

20. Approval of financial statements

The financial statements for the year ended 31 March 2017 were approved and signed by the Manager on 14 May 2017.

21. General

Figures shown in the accounts have been rounded off to the nearest Indian Rupees;

REDINGTON TANZANIA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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COMPANY INFORMATION

CHIEF OFFICERS	:	Mr. Thyagurajulu Kadiyala - Regional Manager - Finance & Administration (East Africa)
:		Mr. Subash Chandra - Assistant Manager - Finance & Administration
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	:	Plot No 598, Shop No 11A Swiss Tower, United Nations Road, Upanga P.O.Box 38096 Dar es Salaam Tanzania.
INDEPENDENT AUDITOR	:	Nexia SJ Tanzania Certified Public Accountants 1st Floor, Oyster Plaza, Haile Selassie Road P.O. Box 12729 Dar es Salaam Tanzania.
COMPANY SECRETARY	:	Corporate and Legal Services Limited 1st Floor, Oyster Plaza, Haile Selassie Road P.O. Box 12729 Dar es Salaam Tanzania.
PRINCIPAL BANKERS	:	Diamond Trust Bank Tanzania Limited Main Branch, Jamat/ Mosque Street P.O.Box 115 Dar es Salaam Tanzania.
	:	Barclays Bank Tanzania Limited Barclays House, Ohio Street P.O.Box 5137 Dar es Salaam Tanzania.
	:	NIC Bank Tanzania Kariakoo Branch P.O.Box 20268 Dar es Salaam Tanzania.
PARENT COMPANY	:	Redington Gulf FZE R/A 8, Warehouse YC - 3 P.O.Box 172666 Jebel Ali Free Zone Dubai United Arab Emirates
HOLDING COMPANY	:	Redington International Mauritius Limited, Mauritius
ULTIMATE HOLDING COMPANY	:	Redington (India) Limited, India

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 March 2017, which disclose the state of affairs of the company.

INCORPORATION

Redington Tanzania Limited was incorporated on 13 August 2009 under the Companies Act, 2002.

COMPANY'S VISION

To be the No.1 Value Added Distributor and service provider for all global brands in information technology and telecommunication for the Middle East, Africa, Turkey and CIS countries.

COMPANY'S MISSION

To provide the best value proposition to our vendors and reseller partners through innovation and responsiveness; and be the partner of choice for them.

PRINCIPAL ACTIVITIES

The company is engaged in importation, distribution and after sale service of information technology and telecommunication equipments.

COMPOSITION OF THE BOARD OF DIRECTORS

The directors who held office during the year and at the date of this report are shown below:

Name	Position	Age	Nationality	Qualification	Date of appointment
Mr. Raj Shankar	Director	59	Singaporean	Post gradute	17-August-2009
Mr. Sriram Ganeshan	Director	44	Indian	Chartered Accountant	17-August-2009

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

CORPORATE GOVERNANCE

The board of Redington Tanzania Limited consists of two directors of which none hold executive position in the company. The board takes overall responsibility for the company, including responsibility for identifying key risk areas, considering and monitoring significant investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The board is required to meet at least four times a year. The board delegates the day to day management of the business to the Managing Director and Chief Executive Officer assisted by senior management. Senior management is invited to attend board meetings and facilitates the effective control of all the company's operational activities, acting as a medium of communication and coordination between all the various business units.

The company is committed to the principles of effective corporate governance .The directors also recognize the importance of integrity, transparency and accountability to ensure high standards of corporate governance throughout the company.

REPORT OF THE DIRECTORS (CONTINUED)

SHARE CAPITAL

The authorised share capital of the company is TZS 30,000,000 divided into 30,000 shares of Tanzanian Shillings 1,000 each. The issued and paid up share capital of the company is TZS 100,000 divided into 100 shares of 1,000 each.

SHAREHOLDERS OF THE COMPANY

The shareholders of the company with their respective shareholdings is as follows:

Name of shareholders	% shareholding	No of shares held
Redington Gulf FZE	99%	99
Cadensworth FZE	1%	1
	100%	100

FUTURE DEVELOPMENT PLANS

The company intends to form partnership with more international vendors in an attempt to provide related after sales services on various information technology and telecommunication brands to final consumers and thereby widening market share.

DIVIDEND

The directors do not recommend the declaration of a dividend for the year (2016: NIL).

RISK MANAGEMENT AND INTERNAL CONTROL

The board accepts final responsibility for the risk management and internal control systems of the company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company's system is designed to provide the board with reasonable assurance that the procedures in place are operating effectively.

The board assessed the internal control systems throughout the financial year ended 31 March 2017 and is of the opinion that they met the accepted criteria.

SOLVENCY

The board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The board of directors has reasonable expectation that Redington Tanzania Limited has adequate resources to continue in operational existence for the foreseeable future.

REPORT OF THE DIRECTORS (CONTINUED)

EMPLOYEES' WELFARE

There was continued good relationship between employees and management for the year ending 31 March 2017. There were no unresolved complaints received by management from the employees during the year.

The company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

Training facilities

Staff are trained on the job in order to improve employee's technical skills and hence effectiveness. Training programs have been and are continually being developed to ensure employees are adequately trained at all levels. All employees have some form of annual training to upgrade skills and enhance development.

Medical assistance

All members of staff with a maximum number of three beneficiaries (dependants) for each employee were availed medical insurance guaranteed by the board. Currently these services are provided by Resolution Insurance.

Health and safety

The company has a strong health and safety program which ensures that a strong culture of safety prevails at all times. A safe working environment is ensured for all employees and contractors by providing adequate and proper personal protective equipment, training and supervision as necessary.

Financial assistance to staff

Loans are available to all confirmed employees depending on the assessment of and the discretion of management as to the need and circumstances.

Persons with disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and appropriate training is arranged. It is the policy of the company that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee benefit plan

The company's employment terms are reviewed annually to ensure that they meet statutory and market conditions. The company contributes 10% of the employee's salary to the National Social Security Fund (NSSF).

GENDER PARITY

The company had 20 employees, out of which 6 were female and 14 were male (2016: 11 employees, 4 Female and 7 male).

MANAGEMENT

The management of the company is under the Regional Manager - Finance & Administration (East Africa) and the Assistant Manager - Finance & Administration and is organized in the following departments.

- Sales and Business Development;
- Administration and Finance; and
- Customer Support;

REPORT OF THE DIRECTORS (CONTINUED)

RELATED PARTY TRANSACTIONS

Details of transactions and balances with related parties are included in note 14 of the financial statements.

CORPORATE SOCIAL RESPONSIBILITY

The company pays due respect to its macro and micro environment through ensuring the following:

- An equal opportunity employer aiming to ensure that everyone working for us is treated fairly and given the maximum opportunity to fulfill their potential and that all our workplaces are safe and healthy.

- Minimize the use of papers and and energy with consideration given to the effects of global warming.
- Ensuring that customers get value for money services by providing efficient and effective service.
- Improve the locality through fair and honest treatment towards all stakeholders in an effort to uphold economic and social standards of the country.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act, 2002 requires the directors to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

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.

INDEPENDENT AUDITOR

The company's auditors, Nexia SJ Tanzania have expressed their willingness to continue in office in accordance with Section 170 of the Companies Act 2002 and are eligible for re-appointment. A resolution proposing the re-appointment as auditor of the company for the year ended 31 March 2018 will be tabled in the Annual General Meeting.

BY ORDER OF THE BOARD

______________________	______________________
Mr. Raj Shankar	**Mr. Sriram Ganeshan**
Director	**Director**
______________ **2017**	______________ **2017**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required in terms of the Companies Act of 2002 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 year then ended, in conformity with International Financial Reporting Standards and the requirements of the Companies Act of 2002. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of 2002, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments 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 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 minimize 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 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 2018 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 8 to 10.

The financial statements set out on pages 11 to 32 were authorised and approved by the board of directors on _______________2017 and were signed on its behalf by:

___________________________ ______________________________

Mr. Raj Shankar
Director

Mr. Sriram Ganeshan
Director

DECLARATION OF THE FINANCE MANAGER OF REDINGTON TANZANIA LIMITED

The National Board of Accountants and Auditors (NBAA) according to the power confered under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as under Directors Responsibility statement on an earlier page.

I ___________________________________ being the Finance Manager of Redington Tanzania Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 March 2017 have been prepared in compliance with applicable accounting standards and statutory

I thus confirm that the financial statements give a true and fair view position of Redington Tanzania Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by: ……………………………………

Position: ………………………………………

NBAA Membership No: ……………………

Date: ….………………………..

For the year ended 31 March 2017 (in Indian Rupees)

STATEMENT OF COMPREHENSIVE INCOME

Particulars	**Note No.**	**Period ended March 31,2017**	**Period ended March 31,2016**
Comprehensive Income:			
(a).Revenue from operations	19	10230,86,280	11487,47,448
(b)Other gain / (losses)	20	4,417	8,056
(c) Total Revenue(a+b)		**10230,90,696**	**11487,55,504**
(d) Expenses			
Purchase of traded goods		9573,10,627	10997,34,596
Changes in inventories		122,11,784	(658,16,916)
Employee Benefits	21	136,03,430	199,42,058
Depreciation & Amortisation		23,99,326	28,90,964
Other Expenses	22	349,60,613	898,54,154
Total Expenses(d)		**10204,85,781**	**11466,04,856**
Profit before Corporate social responsibility expenditure and Tax		26,04,915	21,50,648
Profit before exceptional items and tax		26,04,915	21,50,648
e.Profit before tax (c-d)		**26,04,915**	**21,50,648**
Income Tax expense:			
Current tax		(9,34,295)	(22,95,238)
h.Profit for the Year (e-f-g)		**16,70,621**	**(1,44,590)**
Total Comprehensive Income for the Year attributable to (h+k)		16,70,621	(1,44,590)
Profit for the year attributable to the :-			
Shareholders of the Company		16,70,621	(1,44,590)
Shareholders of the Company		16,70,621	(1,44,590)

The significant accounting policies on pages 15 to 22 and the notes on pages 23 to 32 form an integral part of these financial statements.

Report of the independent auditor - pages 8 to 10.

For the year ended 31 March 2017 (in Indian Rupees)

STATEMENT OF FINANCIAL POSITION

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	7	33,59,565	52,34,048
Other Intangible assets(Software)	8	-	8,699
Deferred Tax Assets (Net)		22,01,527	13,65,197
Other Non Current Assets		241,06,791.18	324,56,101.00
Total Non Current Assets		**296,67,883**	**390,64,046**
Current Assets			
Inventories	9	536,61,290	671,17,768
Financial assets			
(i) Trade receivables	10	1447,41,290	1727,71,981
(ii) Cash and bank balances	11	277,21,106	115,75,787
Other Current Assets		9,78,469	-
Total Current assets		**2271,02,156**	**2514,65,537**
Total Assets		**2567,70,040**	**2905,29,583**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		2,912	3,580
Other Equity			
Other reserves		22,78,801	(1,44,590)
Retained earnings		15,26,031	28,99,686
Equity attributable to the owners of the Company		**38,07,744**	**27,58,676**
Non-Controlling interests		-	-
Total Equity		**38,07,744**	**27,58,676**
Non-Current Liabilities			
Borrowings (Financial liability)	12	2468,40,689	2853,57,576
Total Non-current Liabilities		**2468,40,689**	**2853,57,576**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	12	8,823	16,97,794
Current tax liabilities (net payables)		-	4,47,070
Other Current Liablities	10a	61,12,784	17,80,184
Total Current Liabilities		**61,21,607**	**39,25,048**
Total Equity and Liabilities		**2567,70,040**	**2920,41,300**

The financial statements on pages 11 to 32 were authorised and approved for issue by the Board of Directors on ……………………………..2017 and were signed on its behalf by:

Mr. Raj Shankar
Director

Mr. Sriram Ganeshan
Director

The significant accounting policies on pages 15 to 22 and the notes on pages 23 to 32 form an integral part of these financial statements.

Report of the independent auditor - pages 8 to 10.

For the year ended 31 March 2017(in Indian Rupees)

STATEMENT OF CHANGES IN EQUITY

Particulars	Share capital	Retained earnings	Foreign currency transalati	Total Equity
As at April 2016	3,580	(1,44,590)	28,99,686	27,58,676
Profit for the year		16,70,621		16,70,621
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	(6,21,553)	(6,21,553)
Deduction				-
Balance as at March 31, 2017	2,912	15,26,031	22,78,133	38,07,744

The significant accounting policies on pages 15 to 22 and the notes on pages 23 to 32 form an integral part of these financial statements.

Report of the independent auditor - pages 8 to 10.

For the year ended 31 March 2017(in Indian Rupees)

STATEMENT OF CASH FLOWS

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	26,04,915	21,50,648
Adjustments for		
Depreciation on equipment (Note 7)	23,91,768	28,72,268
Amortisation on intangible asset (Note 8)	7,558	18,696
Change in Working capital		
Inventories	9,91,710	(81,06,008)
Trade and other receivables	(20,58,845)	(1936,89,648)
Trade and other payables	192,70,097	1955,65,822
Cash Generated from Operations	**232,07,205**	**(11,88,222)**
Income tax paid	(35,33,425)	(23,49,008)
Net Cash generated from operating activities	196,73,780	(35,37,230)
Cash flow from investing activity		
Purchase of property and equipment	(1,19,683)	(48,44,316)
Net cash in investing activity	(1,19,683)	(48,44,316)
Net increase in cash and cash equivalents	195,54,096	(83,81,546)
Cash and Cash equivalents at the beginning of the year	115,75,787	209,40,574
Currency transalation asjustment	(34,08,777)	(9,83,241)
Cash and Cash equivalents at the end of the year	**277,21,106**	**115,75,787**

The significant accounting policies on pages 15 to 22 and the notes on pages 23 to 32 form an integral part of these financial statements.

Report of the independent auditor - pages 8 to 10.

SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the requiremnets of Companies Act of United 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.

Going concern

The financial performance of the company is set out in the Director's report and in the statement of comprehensive income. 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 15.

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 forseeable future and as a result the financial statements are prepared on a going concern basis.

These financial statements comply with the requirements of the Tanzania Companies Act 2002. The statement of comprehensive income represents the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

New and ammended standards adopted by the company

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year except for the adoption of new standards and interpretations which were effective for annual periods beginning on or after 1 April 2016. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Changes resulting from the following new or revised standards and interpretations, amendments to existing standards and interpretations and improvements to IFRS that were effective for the current reporting period did not have any impact on the accounting policies, financial position or performance of the Company.

The new standards or amendments are listed below:

a) Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
b) Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
c) Amendments to IAS 27: Equity Method in Separate Financial Statements
d) Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
e) IFRS 14 Regulatory Deferral Accounts
f) Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception
g) Amendments to IAS 1 Disclosure Initiative
h) Annual Improvements 2012-2014 Cycle
   - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
   - IFRS 7 Financial Instruments: Disclosures
   - IAS 19 Employee Benefits
   - IAS 34 Interim Financial Reporting

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when applicable as they become effective.

The Company expects that adoption of these standards, amendments and interpretations in most cases not to have any significant impact on the Company's financial position or performance in the period of initial application. In cases where it will have an impact, the Company is still assessing the possible impact.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective (continued)

Standard issued but not effective	**Effective date on or before**
IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12	01-Jan-17
IAS 7 Disclosure Initiative – Amendments to IAS 7	01-Jan-17
IFRS 15 Revenue from Contracts with Customers	01-Jan-18
IFRS 9 Financial Instruments	01-Jan-18
IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance	01-Jan-18
IFRS 2 Classification and Measurement of Share-based Payment	01-Jan-18
IFRS 16 Leases	01-Jan-19

b) Key sources of estimation uncertainty

In the application of the accounting policies, the directors are required to make judgements, 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 are recognised 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:

(i) Useful life of equipment and intangible asset - Management reviews the useful lives and residual values of the items of equipment nd intangible asset on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

(ii) Provision for inventory - the company provides impairment for its inventories on an annual basis. The management makes judgement on the recoverability of the cost of inventory items based on the ageing of these items.

(iii) Revenue recognition

In making their judgement, the directors considered the detailed criteria for the recognition of revenue from the performance of services set out in IAS 18.

(iv) 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.

(v) Taxes

The Company is subjected to several taxes and levies by various government and quasi- government regulatory bodies. As a rule of thumb, the Company recognizes liabilities for the anticipated tax/levies payable with utmost care and diligence. However, significant judgment is usually required in the interpretation and applicability of those taxes/levies. Should it come to the attention of management, in one way or the 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.

c) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and in the ordinary course of business and is stated net of Value Added Tax (VAT), rebates and discounts.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met of the company's activities. The company bases its estimates on results, taking into consideration the type of customer, type of transaction and specifics of each arrangement. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved.

Sales of goods are recognised upon delivery of products and customer acceptance.

Sales of services are recognised upon performance of the services rendered by reference to the stage of completion of the service contract.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Tanzanian 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 translated using the exchange rate at the date of transaction.

The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise except for:

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

e) Equipment

All equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

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 company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if that asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is calculated on a straight line basis, to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

Item	**Rates %**
Leasehold improvements	20
Computer and networking equipment	33.33
Furniture, fixture and office equipment	20
Motor vehicles	33.33

The assets residual values and useful lives are reviewed and adjusted if appropriate, at the statement of financial position date.

Gains and losses on disposal of equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating (loss)/profit.

f) Intangible asset

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognized on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimates being accounted for on a prospective basis.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Intangible asset (continued)

Computer software

Computer software is 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 which are estimated to be 3 years.

g) Impairment of non-financial assets 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).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each statement of financial position date.

h) Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition.

Financial assets

The company's financial assets which include trade and other receivables, cash and cash equivalents and tax recoverable fall in the following category:

Loans and receivables: financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the statement of financial position date. All assets with maturities greater than 12 months after the statement of financial position date are classified as non-current assets. Changes in the carrying amount are recognised in the statement of comprehensive income.

Management classify the fair values of financial assets based on the qualitative characteristics of the fair valuation as at the financial year end. The three hierarchy levels used by management are:

Level 1: where fair values are based on non-adjusted quoted prices in active markets for identical financial assets.

Level 2: where fair values are based on adjusted quoted prices and observable prices of similar financial assets.

Level 3: where fair values are not based on observable market data.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments

(continued) Financial liabilities

The company's financial liabilities which include trade and other payables and borrowings fall into the following category:

Financial liabilities measured at amortised cost: These include trade and other payables and borrowings. These are initially measured at fair value and subsequently measured at amortised cost, using 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 transaction costs) and the redemption value is recognised in the statement of comprehensive income.

Fees associated with the acquisition of borrowing facilities are recognised as transaction costs of the borrowing to the extent that it is probable that some or all of the facilities will be acquired.

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 statement of financial position date.

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 recognised in profit or loss.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled or expired.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in the statement of comprehensive income.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in the statement of comprehensive income except for equity investments classified as available-for-sale.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in the statement of comprehensive income within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to/(from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised 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 amortised cost.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised 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.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade and other payables are classified as financial liabilities at amortised costs.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, demand

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. Cash and cash equivalents are classified as loans and receivables.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

Borrowings

Loans from group companies and other borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

i) Inventory

Inventories are measured at the lower of cost and net realisable value on weighted average basis.

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 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.

j) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and at banks.

k) Share capital

Ordinary shares are classified as equity.

l) 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 assets and liabilities

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.

m) Accounting for 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 lease

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Provisions

A provision for impairment is established when there is objective evidence that the company will not be able to collect the amounts due according to the original terms of the original receivable. Allowances for impairment are recorded in the year in which they are identified.

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.

o) Employee entitlements

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.

Retirement benefit obligations

The company and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to the statement of comprehensive income in the year to which they relate.

Workers Compensation Fund (WCF)

Workers Compensation Fund (WCF) is a social security scheme established by the government responsible for compensating workers who suffer occupational injuries or contract occupational diseases arising out of and in the course of their employment.

Private entities are statutorily required to contribute 1% of monthly employees' earnings (wage bill) to the Fund. Monthly employees' earnings (wage bill) include basic salaries plus all fixed allowances which are regularly paid along with basic salaries. The contributions are part of Company's costs and are not deducted from salaries of the employees.

Once the payment has been effected by the Company to the Fund, there is no further obligation to the Company for any claim from the employee out of the occupational injuries suffered by them.

p) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Tax (continued)

The normal procedure for agreeing final income tax liability in Tanzania involves the company filing its final income tax returns with the Tanzania Revenue Authority (TRA) followed by TRA performing their own review of the company's submissions and issuing their notice of income tax assessments to the company. The final income tax liability as determined by TRA after their review may differ from the liability determined by the company and procedures are in place for the company to object and appeal against such assessments. It is common that a timeframe from the company's own submission of its final tax returns and for TRA performing their review and issuing of notice of final tax assessment may

5.Share capital is fully paid up

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Equipment

Description	Building	Furniture & Fixtures	Computers	Vehicles	Networking Equipment	Total
Cost						
As at 01.04.16	19,38,534.20	54,73,426	44,08,899	29,32,578	32,220	147,85,658
Additions	-	10,028	1,09,681	-	-	1,19,708
Assets of Subsidiaries acquired	-	-	-	-		-
Disposal	-	-	-	-	-	-
Translation adjustments	(3,61,842.73)	(10,22,298)	(8,29,956)	(5,47,389)	(6,014)	(27,67,500)
As at 31.03.17	**15,76,691.47**	**44,61,155**	**36,88,624**	**23,85,190**	**26,206**	**121,37,866**
Accumulated Depreciations						
As at 01.04.16	4,25,304.00	39,27,296	13,43,180	23,11,892	32,220	80,39,892
Additions	3,24,743.55	6,44,946	11,47,473	2,74,606	-	23,91,768
Assets of subsidiaries acquired	-	-	-	-		-
Disposals	-	-	-	-		-
Disposal of Assets of EA						-
Translation adjustments	(1,00,112.55)	(7,74,223)	(3,23,951)	(4,49,059)	(6,014)	(16,53,360)
As at 31.03.17	**6,49,935.00**	**37,98,019**	**21,66,702**	**21,37,439**	**26,206**	**87,78,301**
Carrying Amount						
As at 01.04.16	**15,13,230.20**	**15,46,130**	**30,65,719**	**6,20,686**	**-**	**67,45,765**
As at 31.03.17	**9,26,756.47**	**6,63,137**	**15,21,921**	**2,47,750**	**-**	**33,59,565**

In the opinion of the directors, there is no impairment in the value of equipment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Intangible asset

Particulars	Software	Total
Cost		
As at 01.04.16	52,805	52,805
Additions	-	-
Assets acquired on acquisition	-	-
Disposals	-	-
Translation adjustment	(9,856)	(9,856)
As at 31.03.17	**42,949**	**42,949**
Accumulated Depreciation		
As at 01.04.16	44,106	44,106
Additions	7,558	7,558
Disposals	-	-
Translation adjustment	(8,715)	(8,715)
As at 31.03.17	**42,949**	**42,949**
Carrying Amount		
As at 01.04.16	**8,699**	**8,699**
As at 31.03.17	**-**	**-**

The intangible asset relates to the programming software. In the opinion of directors, there is no impairment in the value of the intangible asset.

9. Inventories

Particulars	31-Mar-17	31-Mar-16
Trading Stocks	536,61,290	658,73,074
Goods In Transist	-	12,44,694
Total	**53661290**	**671,17,768**

9(a) Movement in provision for inventory

Movement of allowance of inventories		
Particulars	**31-Mar-17**	**31-Mar-16**
Balance at April 1, 2016	**6,91,513**	**1,41,622**
Additional Provisions	**1,33,835**	**5,74,788**
Provisions no longer required	-	-
CTA	**(1,37,618)**	**(24,897)**
Balance at March 31, 2017	**6,87,730**	**6,91,513**

10. Other Non-Current Assets

Particulars	31-Mar-17	31-Mar-16
Receivable from Related Party	241,06,791	324,56,101
Total	**241,06,791**	**324,56,101**

10a. Trade Receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	1494,59,892	1808,24,547
Considered Doubtful	(93,70,641)	(114,94,843)
(b) Other Trade receivables		-
Considered good	46,52,039	34,42,277
Total Trade and other receivable	**1447,41,290**	**1727,71,981**

10b Other Current Assets

Particulars	31-Mar-17	31-Mar-16
Corporate Tax Recoverable	9,78,469	-
Total	**9,78,469**	**-**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Trade and other receivables (continued)

10(a) Movement in general provision for impairment

Particulars	31-Mar-17	31-Mar-16
Balance at the beginning of the year	47,49,908	32,22,492
(Reversal of allowance)/allowance during the year	22,861	14,18,882
Written-off during the year	-	-
CTA	(8,88,067)	1,08,534
Balance at the end of the year	38,84,702	47,49,908

In the opinion of the directors, the carrying amounts of company's trade and other receivables approximate to their fair value.

The company's credit risk arises primarily from trade receivables. The directors are of the opinion that the company's exposure is limited because the debt is widely held.

The carrying amounts of trade and other receivables are denominated in the following currencies:

Particular	31-Mar-17	31-Mar-16
Tanzanian Shillings	257,39,563	(108,82,054)
US Dollars	1431,08,518	2161,10,137

Trade receivables that are aged past 30 days are considered to be past due.

Individually impaired receivables mainly relate to customers, who are in unexpectedly difficult economic situations. These have been fully provided for as stated above.

The ageing analysis of these trade receivables (excluding from its related parties) is as follows:

Particulars	31-Mar-17	31-Mar-16
1 to 3 months	1174,83,416	1606,45,197
4 to 12 months	302,31,281	172,15,934
Total	**1477,14,697**	**1778,61,130**

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The company does not hold any collateral as security.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Cash and cash equivalents

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	1,45,239	1,60,420
(b) Balances with banks		
(i) In current accounts	275,75,868	114,15,367
Total	**277,21,106**	**115,75,787**

For the purpose of the statement of cash flows, the yearend cash and cash equivalents comprise the above.
The carrying amounts of the company's cash and cash equivalents are denominated in the following currencies:

Particular	31-Mar-17	31-Mar-16
Tanzanian Shillings	47,29,725	15,53,980
US Dollars	229,91,381	78,61,066

The company's cash and bank balances are held with a major Tanzanian financial institution and, so far the directors are able to measure any credit risk to these assets, it is deemed to be limited.

12. Non-Current Liability

Particulars	31-Mar-17	31-Mar-16
(a) Loans and advances from Related Parties	2468,40,689	2853,57,576
Total	2468,40,689	2853,57,576

12a. Current Liability

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	8,823	16,97,794
Total Trade Payables	**8823**	**1697794**

12b. Other Current Liability

Particulars	31-Mar-17	31-Mar-16
Statutory liabilities	13,47,128	(52,60,939)
Other Liabilities	47,65,656	70,41,123
Total	**61,12,784**	**17,80,184**

In the opinion of the directors, the carrying amounts of trade and payables approximate to their fair value.
The carrying amounts of trade and other payables are denominated in the following currencies:

Particular	31-Mar-17	31-Mar-16
Tanzanian Shillings	56,21,045	28,28,779
US Dollars	2473,41,251	2320,93,300

The maturity analysis based on ageing of trade and other payables is as follows:

Particular	1 to 3 Months	4 to 12 Months	Total
Trade payables	8,823	-	8,823
VAT payable	13,47,128	-	13,47,128
Accruals and provisions	47,65,656	-	47,65,656
Payables to related parties {Note 14(iii)}	-	2468,40,689	2468,40,689
Total	**61,21,607**	**2468,40,689**	**2529,62,296**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Related party transactions and balances

The company is controlled by Redington Gulf FZE and Cadensworth FZE which own 99% and 1% of the company's shares respectively The ultimate parent company is Redington India Limited.
The following balances arose out of transactions carried out with related parties:

(i) Sale of goods and services

Particulars	31-Mar-17	31-Mar-16
Redington Gulf FZE	-	240,23,626
Redington Kenya Limited	-	37,52,807
Redington Uganda Limited	-	71,08,555
Total	-	**277,76,432**

(ii) Purchase of goods

Particulars	31-Mar-17	31-Mar-16
Redington Gulf FZE	104,16,169	2127,50,199
Redington Kenya Limited	-	53,72,685
Total	**104,16,169**	**2127,50,199**

(iii) Balances due to related parties (Note 13)

Particulars	31-Mar-17	31-Mar-16
Redington Gulf FZE	2468,40,689	2840,63,907
Redington Kenya Limited	-	12,93,669
Total	-	**12,93,669**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Related party transactions and balances (continued)

Particulars	31-Mar-17	31-Mar-16
Ensure Technical Services Tanzania Limited	241,06,791	324,56,101
Total	**241,06,791**	**324,56,101**

15. Risk management objectives and policies

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, and interest rate risk), credit risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out by the management under policies approved by the board of directors.

(i) Market risk

- Foreign exchange risk

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from future transactions, assets and liabilities in the statement of financial position.

The company does not hedge foreign exchange fluctuations.

The table below summarises the effect on post-tax profit had the Tanzania Shilling weakened by 10% against the US Dollar, with all other variables held constant. If the Tanzania Shilling strengthened against the US Dollar, the effect would have been the opposite.

Particular	31-Mar-17	31-Mar-16
Effect on profit before tax - increase	1208,03,232	1859,67,174

(ii) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions as well as credit exposures to customers including outstanding receivables.

Management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors.

Exposure to this risk has been quantified in each financial asset note in the financial statements along with any concentration of risk.

(iii) 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 businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Risk management objectives and policies (continued)

(iii) Liquidity risk (continued)

Cash flow forecasting is performed by the finance department of the company by monitoring the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits on any of its borrowing facilities.

16. Capital management

Internally imposed capital requirements

The company's objectives when managing capital are:

- to provide an adequate return to shareholders by pricing products commensurate with the level of risk;
- to comply with the capital requirements set out by the company'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;
- to maintain a strong asset base to support the development of business and;
- 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 adjustment 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 company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

17. Incorporation

Redington Tanzania Limited is incorporated in Tanzania under the Companies Act 2002 as a private limited liability company and is domiciled in Tanzania.

18. Presentation currency

These financial statements are presented in Indian Rupees.

SCHEDULE OF REVENUE, OTHER OPERATING INCOME AND EXPENSES

19. Revenue From Operation

Particulars	31-Mar-17	31-Mar-16
Sales	10230,86,280	11487,47,448
Total	**10230,86,280**	**11487,47,448**

20. Other operating income

Particulars	31-Mar-17	31-Mar-16
Other Non operating income	4,417	8,056
Total	**4,417**	**8,056**

21. Employee Benefit Expenses

Particulars	31-Mar-17	31-Mar-16
Salaries	130,94,683	189,74,654
Welfare Expenses	5,08,747	9,67,404
Total	**136,03,430**	**199,42,058**

22. Other expenses

Particulars	31-Mar-17	31-Mar-16
Rent	60,02,204	69,35,456
Freight	-	10,03,048
Repairs and Maintenance	10,42,470	16,67,706
Utilities	10,66,357	15,75,404
Insurance	2,42,166	82,232
Communication	20,98,781	38,33,402
Sales Promotion Expenses	114,92,301	187,28,946
Travelling Expenses	30,98,516	54,77,700
Professional Charges	34,06,215	39,84,300
Warehouse handling charges	1,22,856	3,32,272
Bad Debts	22,861	85,78,272
Auditor's Remuneration(including remuner	4,41,410	7,44,800
Exchange Loss Net	31,37,736	327,18,684
Bank Charges	4,05,673	4,62,916
Miscellaneous Expenses	23,81,069	37,29,016
Total	**349,60,613**	**898,54,154**

PKF Maroc

PKF

Accountants &
business advisers

REDINGTON
Morocco Limited

Audit Opinion – Full Scope Audit

As requested, we have audited the standard reporting package forms consisting of balance sheet, income statement of **REDINGTON Morocco Limited** as of March 31, 2017, that indicates the following items:

- Total Net Equity as of March 31, 2017 **KMAD 1 812**
- Total results of the period: **KMAD (329)**

These specified forms are the responsibility of the management of REDINGTON Morocco Limited. Our responsibility is to express an opinion on these specified forms based on our audit.

We conducted our audit in accordance with the International Standards on Auditing (ISA) as promulgated by the International Federation of accountants (IFAC). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the specified forms are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the specified forms. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial information in the specified forms. We believe that our audit provides a reasonable basis for our opinion.

Our opinion on financial statements:

We certify that financial statements mentioned in the first paragraph above are regular and sincere and give, in all their material aspects, a fair view of the result of the year's operations and of the financial position of **REDINGTON Morocco Limited** as of March 31, 2017, in accordance with Moroccan accounting principles.

DATE: **16/05/2017**

Audit firm: **PKF MAROC**

PARTNER: **ABDELLATIF ZARKAL**

SIGNATURE

PKF MAROC
131, Bd. Abdelmoumen, Angle
Rue Galien 6ème étage N° 22
Casablanca
Tél: 0522 47 64 70/77

Tél : 05 22 47 64 70/77 - Fax : 05 22 47 64 79
Email : contact@pkfmaroc.com – www.pkfmaroc.com
Adresse : 131, Bd. Abdelmoumen, 6ème étage, Casablanca
SARL au capital de 200 000 DH – R.C 53291 – I.F 01003373
Patente : 36330897 – C.N.S.S : 1296319

REDINGTON MOROCCO LIMITED
FINANCIAL STAEMENT

FINANCIAL YEAR ENDED 31-MARCH-2017

STATEMENT OF FINANCIAL POSITION
AS AT 31-MARCH-2017

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	1	18,55,512	32,49,050
Other Intangible assets	1a	1,15,427	-
Other Non Current Assets	2	10,65,311	11,35,728
Total Non Current Assets		**30,36,250**	**43,84,778**
Current Assets			
Inventories	3	68,82,944	7,61,02,805
Trade receivables	4	32,02,47,567	65,22,96,559
Cash and bank balances	5	4,31,86,813	6,14,90,643
Other Current Assets	6	5,09,76,726	12,94,69,614
Total Current assets		**42,12,94,048**	**91,93,59,621**
Total Assets		**42,43,30,299**	**92,37,44,399**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		19,36,057	20,64,030
Other Equity			
Other reserves		85,53,431	39,21,262
Retained earnings		12,04,585	87,45,187
Equity attributable to the owners of the Company		**1,16,94,073**	**1,47,30,479**
Non-Controlling interests		-	-
Total Equity		**1,16,94,073**	**1,47,30,479**
Current Liabilities			
Financial Liabilities			
Trade and other payables	7	29,13,68,791	77,23,64,457
Other Current Liablities	8	12,12,67,434	13,66,49,463
Total Current Liabilities		**41,26,36,225**	**90,90,13,920**
Total Equity and Liabilities		**42,43,30,299**	**92,37,44,399**

REDINGTON MOROCCO LIMITED
FINANCIAL STAEMENT

FINANCIAL YEAR ENDED 31-MARCH-2017

STATEMENT OF COMPREHENSIVE INCOME
AS ON 31-MARCH-2017

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations	9	13207,34,095	11915,56,340
(b)Other gain / (losses)	10	1,35,763	274,76,877
(c).Total Revenue(a+b)		**13208,69,858**	**12190,33,217**
Purchase of traded goods		11452,08,635	11901,08,700
Changes in inventories		692,19,861	(651,25,941)
Employee Benefits	11	240,59,236	253,79,207
Depreciation & Amortisation		2,31,034	-
Other Expenses	12	777,90,020	591,28,899
Total Expenses(d)		**13165,08,786**	**12094,90,865**
Profit before Corporate social responsibility expenditure and Tax		**43,61,071**	**95,42,352**
Profit before exceptional items and tax		**43,61,071**	**95,42,352**
e.Profit before tax (c-d)		**43,61,071**	**95,42,352**
Income Tax expense:			
Current tax		(66,03,671)	(60,95,168)
h.Profit for the Year (e-f-g)		**(22,42,600)**	**34,47,185**
Total Comprehensive Income for the Year attributable to (h+k)		(22,42,600)	34,47,185
Profit for the year attributable to the :-			
Shareholders of the Company		(22,42,600)	34,47,185
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		(22,42,600)	34,47,185

STATEMENT OF CHANGES IN EQUITY

Particulars	Share capital	Statutory Reserve	Share premium	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	20,64,030	4,12,806	61,272	34,47,185	87,45,187	1,47,30,479
Profit for the year				(22,42,600)		(22,42,600)
Dividend paid				-		-
Other comprehensive income						-
Foreign currency adustment						-
Additions during the year		-		-	(7,93,806)	(7,93,806)
Deduction						-
Balance as at March 31, 2017	19,36,057	3,87,211.39	57,473	12,04,585	79,51,380	1,16,94,073

REDINGTON MOROCCO LIMITED
FINANCIAL STAEMENT

FINANCIAL YEAR ENDED 31-MARCH-2017

CASH FLOW STATEMENT

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	43,61,071	95,42,352
Adjustments for		
Depreciation & Amortisation	2,31,034	157,11,690
Change in Working capital		
Inventories	681,32,073	(655,72,894)
Trade receivables	3080,19,717	(3871,85,056)
Other Current Assets	744,31,993	(663,05,906)
Trade Payables	(4574,86,986)	5561,58,662
Other Current Liability	(72,98,479)	(60,95,168)
Net cash flow from operating activity	**(96,09,577)**	**562,53,680**
Cash flow from investing activity		
Purchase of Intangible Assets	(3,52,957)	-
(Purchase)/Sale of Property plant and equipment	38,57,674	(51,92,824)
Net cash in investing activity	35,04,716	(51,92,824)
Cash flow from financing activity		
Interest Income and expenses	-	(97,50,285)
Net cashflow from financing activity	-	**(97,50,285)**
Net increase in cash and cash equivalents	(61,04,861)	413,10,571
Cash and Cash equivalents at the beginning of the year	614,90,643	202,43,377
Currency transalation asjustment	(121,98,969)	(63,305)
Cash and Cash equivalents at the end of the year	**431,86,813**	**614,90,643**

Notes to Accounts

1. Property Plant and Equipment

Description	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost					
As at 01.04.16	13,90,792	70,90,077	80,05,132	8,86,391	173,72,392
Additions	-	-	-	-	-
Assets of Subsidiaries acquired	-	-	-	-	-
Disposal	4,96,378	27,96,035	38,57,674	-	71,50,086
Disposl of assets of EA					-
Translation adjustments	(59,780)	(2,90,597)	(2,90,758)	(54,958)	(6,96,093)
As at 31.03.17	**8,34,635**	**40,03,445**	**38,56,700**	**8,31,433**	**95,26,212**
Accumulated Depreciations					
As at 01.04.16	10,27,215	51,67,246	70,42,490	8,86,391	141,23,342
Additions	-	-	-	-	-
Assets of subsidiaries acquired	-	-	-	-	-
Disposals	3,51,063	22,93,431	32,46,400	-	58,90,894
Disposal of Assets of EA					-
Translation adjustments	(44,981)	(1,98,162)	(2,63,647)	(54,958)	(5,61,748)
As at 31.03.17	**6,31,171**	**26,75,653**	**35,32,443**	**8,31,433**	**76,70,700**
Carrying Amount					
As at 01.04.16	**3,63,577**	**19,22,831**	**9,62,642**	**-**	**32,49,050**
As at 31.03.17	**2,03,464**	**13,27,792**	**3,24,257**	**-**	**18,55,512**

1a. Other Intangible Assets

Particulars	Other Intangibles	Total
Cost		
As at 01.04.16	-	-
Additions	3,52,957	3,52,957
Assets acquired on acquisition	-	-
Disposals	-	-
Translation adjustment	(18,809)	(18,809)
As at 31.03.17	**3,34,149**	**3,34,149**
Accumulated Depreciation		
As at 01.04.16	-	-
Additions	2,31,034	2,31,034
Assets acquired on acquisition		-
Disposals		-
Disposal of assets of EA		-
Translation adjustment	(12,312)	(12,312)
As at 31.03.17	**2,18,722**	**2,18,722**
Carrying Amount		
As at 01.04.16	**-**	**-**
As at 31.03.17	**1,15,427**	**1,15,427**

2. Other Non-Current Assets

Particulars	31-Mar-17	31-Mar-16
(b) Others	10,65,311	11,35,728
Total	**10,65,311**	**11,35,728**

3. Inventories

Particulars	31-Mar-17	31-Mar-16
(a) Trading Stocks	68,82,944	7,61,02,805
Total	**6882944**	**7,61,02,805**

4. Trade Receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	36,07,45,959	66,48,97,661
Less:Allowance for doubtful debts	(6,31,71,577)	(1,45,14,640)
Other receivables		-
Considered good	2,26,73,185	19,13,538
Total Trade and other receivable	**32,02,47,567**	**65,22,96,559**

5. Cash and Bank Balances

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	446	4,734
(b) Balances with banks		
(i) In deposit accounts	4,31,86,367	6,14,85,908
Total	**4,31,86,813**	**6,14,90,643**

6. Other Current Assets

Particulars	31-Mar-17	31-Mar-16
Advances to Employees	5,43,128.50	2,17,378.48
Corporate Tax Recoverable	5,03,79,272	12,90,77,213
Others	54,325	1,75,022
Total	**5,09,76,726**	**12,94,69,614**

7. Trade and Other Payables

Particulars	31-Mar-17	31-Mar-16
Trade Payables	29,13,68,791	77,23,64,457
Total Trade Payables	**291368791**	**772364457**

8. Other Current Liability

Particulars	31-Mar-17	31-Mar-16
(a) Statutory liabilities	10,46,56,320	11,89,34,757
(b) Other Liabilities	1,66,11,114	1,77,14,706
Total	**12,12,67,434**	**13,66,49,463**

9. Revenue From Operation

Particulars	31-Mar-17	31-Mar-16
Sales	1,32,07,34,095	1,06,30,66,242
Other operating revenues	-	12,84,90,098
Total	**1,32,07,34,095**	**1,19,15,56,340**

10. Other Income

Particulars	31-Mar-17	31-Mar-16
Exchange gain/(Loss) Net	-	1,05,09,821
Reversal of provision for standard assets	1,35,763	1,69,67,056
Total	**1,35,763**	**2,74,76,877**

11. Employee Benefit Expenses

Particulars	31-Mar-17	31-Mar-16
Salaries	2,40,59,236	2,53,79,207
Total	**2,40,59,236**	**2,53,79,207**

12. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Commercial Taxes	4,58,028	9,10,457
Exchange Loss Net	38,31,126	97,50,285
Miscellaneous Expenses	7,35,00,867	4,84,68,157
Total	**7,77,90,020**	**5,91,28,899**

13. General

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

Ensure IT Services (Pty) Ltd

(Registration number 2011/101022/07)

Annual financial statements for the year ended 31 March 2017

Ensure IT Services (Pty) Ltd
Formerly Redington IT Services (Pty) Ltd
(Registration number 2011/101022/07)

Annual Financial Statements
for the year ended 31 March 2017

These annual financial statements were prepared
by: S Rossouw CA (SA)
These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Published 08 May 2017

Ensure IT Services (Pty) Ltd

Formerly Redington IT Services (Pty) Ltd
(Registration number 2011/101022/07)
Annual Financial Statements for the year ended 31 March 2017

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	IT services
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
Bankers	The Standard Bank of South Africa Limited
Auditors	D5BSG Incorporated Registered Auditors
Company registration number	2011/101022/07
Tax reference number	9788/469/15/4
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were internally compiled by: S Rossouw CA (SA)
Published	08 May 2017

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The reports and statements set out below comprise the annual financial statements presented to the shareholder:

Ensure IT Services (Pty) Ltd

Formerly Redington IT Services (Pty) Ltd
(Registration number 2011/101022/07)
Annual Financial Statements for the year ended 31 March 2017

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 2015 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.

RAJ Shankar **SRIRAM Ganeshan**

08 May 2017

Independent Auditors' Report

To the Shareholder of Ensure IT Services (Pty) Ltd

Report on the Financial Statements

We have audited the annual financial statements of Ensure IT Services (Pty) Ltd, as set out on pages 8 to 23, which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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 requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

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 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act 71 of 2008.

Independent Auditors' Report

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 24 to 26 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.

Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended 31 March 2017, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited annual financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

D5BSG Incorporated
Registered Auditors

Per: J Gardiner CA (SA)
08 May 2017

Ensure IT Services (Pty) Ltd

Formerly Redington IT Services (Pty) Ltd
(Registration number 2011/101022/07)
Annual Financial Statements for the year ended 31 March 2017

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Ensure IT Services (Pty) Ltd for the year ended 31 March 2017.

1. Incorporation

The company was incorporated on 27 July 2011 and obtained its certificate to commence business on the same day.

2. Nature of business

Ensure IT Services (Pty) Ltd was incorporated in South Africa with interests in the IT services industry. The company operates principally in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

There have been no changes to the authorised or issued share capital during the year under review.

5. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

Given the current state of the global economic environment, the board of directors believes that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the board of directors has resolved not to declare a dividend for the financial year ended 31 March 2017.

6. Directorate

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

Names	Office	Designation	Changes
RAJ Shankar			
SRIRAM Ganeshan			

There have been no changes to the Directorate for the year under review.

Directors' Report

8. Holding company

The company's holding company is Redington Gulf FZE. Redington Gulf FZE is incorporated in Dubai.

9. Borrowing powers

In terms of the Memorandum of Incorporation, the borrowing powers of the company are unlimited. However all borrowings by the company are subject to board approval as required by the board delegation of authority.

10. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

11. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

12. Auditors

D5BSG Incorporated continued in office as auditors for the company for 2017.

At the AGM, the shareholder will be requested to reappoint D5BSG Incorporated as the independent external auditors of the company and to confirm Mr J Gardiner CA (SA) as the designated lead audit partner for the 2015 financial year.

13. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 25 April 2017. No authority was given to anyone to amend the annual financial statements after the date of issue.

14. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008.

15. Acknowledgements

Thanks and appreciation are extended to all of our shareholders, staff, suppliers and consumers for their continued support of the company.

Ensure IT Services (Pty) Ltd

Formerly Redington IT Services (Pty) Ltd
(Registration number 2011/101022/07)
Annual Financial Statements for the year ended 31 March 2017(In Indian Rupees)

Statement of Financial Position as at 31 March 2017

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	2	81,95,777	107,05,334
Total Non Current Assets		**81,95,777**	**107,05,334**
Current Assets			
Inventories	3	36,11,645	77,79,839
Financial assets			
Trade receivables	4	8,57,499	2,95,506
Cash and bank balances	5	66,43,448	9,62,280
Other financial assets	6	-	23,86,931
Other Current Assets	7	289,92,655	429,22,418
Total Current assets		**401,05,247**	**543,46,973**
Total Assets		**483,01,024**	**650,52,306**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital	**16**	33,89,132	31,44,555
Other Equity			
Other reserves		35,55,211	70,65,739
Retained earnings		101,03,175	27,31,864
Equity attributable to the owners of the Company		**170,47,517**	**129,42,158**
Non-Controlling interests		-	-
Total Equity		**170,47,517**	**129,42,158**
Non-Current Liabilities			
Borrowings (Financial liability)	8	185,17,795	261,32,013
Total Non-current Liabilities		**185,17,795**	**261,32,013**
Current Liabilities			
Financial Liabilities			
Trade and other payables	9	127,35,712	259,78,136
Total Current Liabilities		**127,35,712**	**259,78,136**
Total Equity and Liabilities		**483,01,024**	**650,52,306**

Ensure IT Services (Pty) Ltd

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Statement of Comprehensive Income

Particulars	Note No.	Period ended March 31, 2017	Period ended March 31, 2016
Comprehensive Income:			
(a).Revenue from operations	10	1101,23,517	1211,48,918
(b)Other gain / (losses)	11	1,531	55,85,809
(c).Total Revenue(a+b)		**1101,25,048**	**1267,34,727**
Purchase of traded goods	14	305,83,209	380,80,138
Changes in inventories	14	41,68,194	43,24,262
Employee Benefits	12	245,19,448	250,00,268
Depreciation & Amortisation		63,36,382	63,71,957
Other Expenses	13	402,99,152	428,13,678
Total Expenses(d)		**1059,06,385**	**1165,90,303**
Profit before Corporate social responsibility expenditure and Tax		**42,18,662**	**101,44,424**
Profit before exceptional items and tax		**42,18,662**	**101,44,424**
e.Profit before tax (c-d)		**42,18,662**	**101,44,424**
Income Tax expense:			
Current tax		(11,81,226)	(30,34,093)
Deferred tax		-	(44,593)
h.Profit for the Year (e-f-g)		**30,37,436**	**70,65,739**
Total Comprehensive Income for the Year attributable to (h+k)		30,37,436	70,65,739
Profit for the year attributable to the :-			
Shareholders of the Company		30,37,436	70,65,739
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		30,37,436	70,65,739

Ensure IT Services (Pty) Ltd

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Statement of Changes in Equity

Particulars	Share capital	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	31,44,555	70,65,739	27,31,864	129,42,158
Profit for the year		30,37,436		30,37,436
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	10,67,924	10,67,924
Deduction				-
Balance as at March 31, 2017	33,89,132	101,03,175	37,99,787	170,47,517

Ensure IT Services (Pty) Ltd

Formerly Redington IT Services (Pty) Ltd (Registration number 2011/101022/07)
Annual Financial Statements for the year ended 31 March 2017(In Indian Rupees)

Statement of Cash Flows

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	42,18,662	101,44,424
Adjustments for		
Depreciation	63,36,382	63,71,957
Unrealized foreign exchange loss		(55,07,744)
Change in Working capital		
Inventory	46,78,849	30,47,790
Trade and Other Receivable		
Trade and Other Payable	(149,60,954)	(108,20,390)
Cash Generated from Operation		
Interest Income	1,531	37,294
Net cash flow from operating activity	**2,74,470**	**32,73,330**
Cash flow from investing activity		
Purchase of Property Plant and Equipment	(30,60,479)	(42,75,150)
Sale of Property Plant and Equipment	162	-
Net Movement in Financial Assets		
Net cash in investing activity	(30,60,317)	(42,75,150)
Cash flow from financing activity		
Net Movement in Financial Liailities	(94,55,840)	(11,01,403)
Net cashflow from financing activity	**(94,55,840)**	**(11,01,403)**
Net increase in cash and cash equivalents	(122,41,687)	(21,03,223)
Cash and Cash equivalents at the beginning of the year	9,62,280	63,90,514
Currency transalation asjustment	179,22,855	(33,25,011)
Cash and Cash equivalents at the end of the year	**66,43,448**	**9,62,280**

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 recognised 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 recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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.

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 recognised 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 amortised 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 amortised cost using the effective interest rate method. The allowance recognised 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.

Accounting Policies

1.2 Financial instruments (continued)

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised 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 amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised 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 recognised 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 recognised 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 recognised 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 utilised. A deferred tax asset is not recognised 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 recognised 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 utilised.

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 by the end of the reporting period.

Accounting Policies

1.3 Tax (continued)

Tax expenses

Current and deferred taxes are recognised 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 recognised, 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 amounts recognised 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.

Accounting Policies

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.

Accounting Policies

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.

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Annual Financial Statements for the year ended 31 March 2017(In Indian Rupees)

Notes to the Annual Financial Statements

2. Plant Property and Equipment

Description	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost					
As at 01.04.16	135,83,291	60,81,552	30,97,310	27,56,174	255,18,326
Additions	5,39,678	16,12,641	-	9,08,159	30,60,479
Assets of Subsidiaries acquired	-	-	-	-	-
Disposal	-	-	-	162	162
Translation adjustments	10,67,372	5,05,561	2,40,902	2,32,697	20,46,532
As at 31.03.17	**151,90,341**	**81,99,754**	**33,38,211**	**38,96,868**	**306,25,175**
Accumulated Depreciations					
As at 01.04.16	73,08,896	35,19,153	20,71,175	19,13,769	148,12,992
Additions	39,66,603	6,93,205	5,41,048	11,35,526	63,36,382
Assets of subsidiaries acquired	-	-	-	-	-
Disposals	-	-	-	-	-
Disposal of Assets of EA					-
Translation adjustments	6,48,537	2,87,704	1,72,013	1,71,770	12,80,023
As at 31.03.17	**119,24,035**	**45,00,063**	**27,84,235**	**32,21,064**	**224,29,397**
Carrying Amount					
As at 01.04.16	**62,74,395**	**25,62,399**	**10,26,135**	**8,42,405**	**107,05,334**
As at 31.03.17	**32,66,305**	**36,99,692**	**5,53,977**	**6,75,804**	**81,95,777**

Ensure IT Services (Pty) Ltd

Formerly Redington IT Services (Pty) Ltd
(Registration number 2011/101022/07)
Annual Financial Statements for the year ended 31 March 2017(In Indian Rupees)

Notes to the Annual Financial Statements

3. Inventories

Particulars	31-Mar-17	31-Mar-16
(a) Trading Stocks	36,11,645	77,79,839
Total	**3611645**	**77,79,839**

4. Trade Receivable

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	8,57,499	2,95,506
Total Trade and other receivable	**8,57,499**	**2,95,506**

5. Cash and Cash Equivalent

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	33,741	87,633
(b) Balances with banks		-
(i) In current accounts	66,09,706	8,74,647
Total	**66,43,448**	**9,62,280**

6. Other Financial Assets

Particulars	31-Mar-17	31-Mar-16
Advances to suppliers and others		23,86,931
Total		**23,86,931**

7.Other Current Assets

Particulars	31-Mar-17	31-Mar-16
Deposits	20,45,332	14,79,380
Advances to Employees	1,04,619	90,185
Prepayments	259,60,042	399,69,698
Receivable from Government authorities (Vat Receivable)	8,02,224	7,76,052
Current Tax Receivable	80,437	6,07,104
Total	**289,92,655**	**429,22,418**

8. Borrowings

Particulars	31-Mar-17	31-Mar-16
Loans and advances from Related Parties	185,17,795	261,32,013
Total	185,17,795	261,32,013

9. Trade and Other Payable

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	127,35,712	259,78,136
Total Trade Payables	**127,35,712**	**259,78,136**

10. Revenue

Particulars	31-Mar-17	31-Mar-16
Sales	1035,84,147	1211,37,821
Other operating revenues	65,39,370	11,097
Total	**1101,23,517**	**1211,48,918**

11. Other Income

Particulars	31-Mar-17	31-Mar-16
Dividend from Short term Investments	1,531	37,294
Exchange gain/(Loss) Net	-	55,48,515
Total	**1,531**	**55,85,809**

12. Employee Benefit Expenses

Particulars	31-Mar-17	31-Mar-16
Salaries and Bonus	240,86,692	246,26,167
Welfare Expenses	4,32,755	3,74,101
Total	**245,19,448**	**250,00,268**

13. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Rent	83,91,605	71,53,032
Repairs and Maintenance	18,93,405	19,43,273
Insurance	18,94,014	19,75,788
Communication	7,55,883	7,90,965
Travel	53,82,499	49,13,401
Professional Charges	18,89,707	19,33,695
Exchange gain/(Loss) Net	30,77,051	-
Auditor's Remuneration(including remuneration to Subsidiarie's auditors)	2,13,932	2,85,721
Bank Charges	4,05,743	3,30,332
Outsourced Resource Cost	52,680	80,344
Packing Charges	15,736	19,875
Security Charges	9,16,850	13,72,354
Software Expenses	14,74,261	11,90,770
Miscellaneous Expenses	139,35,789	208,24,126
Total	**402,99,152**	**428,13,678**

14. Cost of Sales

Particular	31-Mar-17	31-Mar-16
Opening stock	77,79,839	121,04,100
Purchases	305,83,209	380,80,138
Closing stock	36,11,645	77,79,839
Cogs	347,51,403	424,04,400

Ensure IT Services (Pty) Ltd

Formerly Redington IT Services (Pty) Ltd
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Annual Financial Statements for the year ended 31 March 2017(In Indian Rupees)

Notes to the Annual Financial Statements

15. Related parties

Related parties		**March 31, 2017**	**March 31, 2016**
Relationships			
Holding company	Redington Gulf FZE		
Related party balances			
Loan accounts - Owing (to) by related parties			
Ensure IT Services Clearing account 3 with Redington Gulf FZE		-	23,86,931
Ensure IT Services Clearing account 4 with Redington Gulf FZE		(185,17,795)	(261,32,013)
Amounts included in Trade receivable (Trade Payable) regarding related parties			
Redington Gulf FZE		-	1,10,025
Related party transactions			
Sales to (received from) related parties			
Redington Gulf FZE		(606,76,439)	(840,87,684)

18. Directors' emoluments

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

19. Risk management

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.

20. General

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

REDINGTON TURKEY HOLDINGS S.À R.L.
Société à responsabilité limitée

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Statement of comprehensive income
for the year ended 31 March 2017

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Non-Current Financial Assets	6	27550,87,400	28147,77,420
Total Non Current Assets		**27550,87,400**	**28147,77,420**
Current Assets			
Financial assets			
(i) Trade receivables		14,38,114	17,97,631
(ii) Cash and bank balances	7	22,65,470	10,60,345
Other Current Assets		-	359,09,349
Total Current assets		**37,03,584**	**387,67,324**
Total Assets		**27587,90,984**	**28535,44,744**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		291,82,500	298,14,750
Other Equity			
Other reserves		329,56,159	38,45,150
Retained earnings		(156,26,294)	314,88,112
Equity attributable to the owners of the Company		**465,12,366**	**651,48,011**
Non-Controlling interests		-	-
Total Equity		**465,12,366**	**651,48,011**
Non-Current Liabilities			
Borrowings (Financial liability)	8	26764,80,899	27344,67,879
Total Non-current Liabilities		**26764,80,899**	**27344,67,879**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	8	357,97,719	503,37,965
Current tax liabilities (net payables)		-	35,90,888
Total Current Liabilities		**357,97,719**	**539,28,854**
Total Equity and Liabilities		**27587,90,984**	**28535,44,744**

....
Director

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income
for the year ended 31 March 2017

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(b)Dividend income		-	354,44,491
(c) Total Revenue(a+b)		**-**	**354,44,491**
Cost of Materials consumed			
(d) Expenses			
Finance Costs		118,70,972	248,61,964
Other Expenses	10	59,44,693	48,48,753
Total Expenses(d)		**178,15,665**	**297,10,716**
Profit before Corporate social responsibility expenditure and Tax		(178,15,665)	57,33,774
Profit before exceptional items and tax		(178,15,665)	57,33,774
e.Profit before tax (c-d)		**(178,15,665)**	**57,33,774**
Income Tax expense:			
Current tax		-	(35,44,403)
h.Profit for the Year (e-f-g)		**(178,15,665)**	**21,89,371**
Total Comprehensive Income for the Year attributable to (h+k)		(178,15,665)	21,89,371
Profit for the year attributable to the :-			
Shareholders of the Company		(178,15,665)	21,89,371
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		(178,15,665)	21,89,371

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
for the year ended 31 March 2017

Particulars	Share capital	Legal reserve	Retained earnings	Foreign currency transalati	Total Equity
As at April 2016	298,14,750	16,55,779	21,89,371	314,88,112	651,48,011
Profit for the year			(178,15,665)		(178,15,665)
Dividend paid			-		-
Other comprehensive income					-
Foreign currency adustment					-
Additions during the year		-	-	(8,19,981)	(8,19,981)
Deduction					-
Balance as at March 31, 2017	291,82,500	16,20,666.35	(156,26,294)	306,68,131	465,12,366

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
for the year ended 31 March 2017

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	(178,15,665)	57,33,774
Adjustments for		
Dividend Income	-	(354,44,491)
Interest Expenses	118,70,302	248,61,964
Change in Working capital		
(Increase)/decrease in prepayments and other receivables	3,31,857	(3,53,211)
Increase/(decrease) in accruals	24,48,280	(8,73,381)
(Decrease)/increase in due to a related party	-	(229,30,454)
Cash Generated from Operations	**(31,65,226)**	**(290,05,799)**
Income tax paid	-	(60,85,743)
Net Cash generated from operating activities	(31,65,226)	(350,91,541)
Cash flow from investing activity		
Dividend Income Received	-	608,50,625
Net cash in investing activity	-	608,50,625
Cash flow from financing activity		
Interest Paid	-	(248,61,964)
Net cashflow from financing activity	-	**(248,61,964)**
Net increase in cash and cash equivalents	(31,65,226)	8,97,120
Cash and Cash equivalents at the beginning of the year	10,60,345	1,45,492
Currency transalation asjustment	43,70,351	17,732
Cash and Cash equivalents at the end of the year	**22,65,470**	**10,60,345**

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 March 2017 (continued)

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 8 November 2010.

b) The Parent Company is Redington Gulf FZE, Dubai, United Arab Emirates. The ultimate controlling party 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 and sub-subsidiaries at 31 March 2017 are as follows:

Name of subsidiary	Place of registration and operation	Effective Ownership interest %	Beneficial interest %	Principal activity
Arena Bilgisayar Sanayi ve Ticaret A.S. (Arena)	Istanbul, Turkey	49.4	49.4	Distribution of Information technology and telecommunication products
Arena has the following subsidiaries:				
Arena International FZE	Jebel Ali, Dubai, U.A.E.	49.4	49.4	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	Istanbul, Turkey	49.3	49.3	Distribution of information technology and telecommunication products including surveillance equipment
Paynet Guvenli Odene Hizmetri Anonim Sirketi	Istanbul, Turkey	100	100	Payment Intermediation Services

In entities listed above, 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. Application of new and revised International Financial Reporting Standards ("IND ASs")

2.1 New and revised IND ASs applied with no material effect on the financial statements

The following new and revised IND ASs have been adopted in these financial statements. The application of these new and revised IND ASs 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.

- IND AS 113 *Fair Value Measurement*

IND AS 113 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IND AS 113 is broad; the fair value measurement requirements in IND AS 113 apply to both financial instrument items and non-financial instrument items for which other IND ASs require or permit fair value measurement and disclosures about fair value measurements except for share-

based payment transactions that are within the scope of IND AS 102 *Share-based payment*, leasing transactions that are within the scope of IND AS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realizable value for the purposes of measuring inventories or value in use for impairment assessment purpose).

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

2.1 New and revised IND ASs applied with no material effect on the financial statements (continued)

- IND AS 113 *Fair Value Measurement (continued)*

IND AS 113 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IND AS 113 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IND AS 113 includes extensive disclosure requirements.

- Amendments toIND AS 1 *Presentation of Items of Other Comprehensive Income*

The main amendment toIND AS 1 requires items of other comprehensive income to be grouped into two categories in the other comprehensive income section:

a) Items that will not be reclassified subsequently to profit or loss; and
b) Items that may 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 do not change the option to present items of other comprehensive income either before tax or net of tax.

- Amendments to IND AS 107 *Financial Instruments: Disclosures* enhances disclosures about offsetting of financial assets and liabilities.
- IND AS 110 *Consolidated Financial Statements* uses control as the single basis for consolidation, irrespective of the nature of the investee. IND AS 110 requires retrospective application subject to certain transitional provisions providing an alternative treatment in certain circumstances. Accordingly,IND AS 27 *Separate Financial Statements* andIND AS 28 *Investments in Associates and Joint Ventures* have been amended for the issuance of IND AS 110.
- IND AS 111 *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,IND AS 28 *Investments in Associates and Joint Ventures* has been amended for the issuance of IND AS 111.
- IND AS 112 *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.
- Amendments toIND AS 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.
- 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 recognized as an asset, how the asset is initially recognized, and subsequent measurement.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

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

2.2 New and revised IND ASs 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 IND ASs	***Effective for annual periods beginning on or after***
• Amendments to IND AS 107 *Financial Instruments*: Disclosures relating to disclosures about the initial application of IND AS 109.	When IND AS 109 is first applied
• IND AS 107 *Financial Instruments*: Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IND AS 109.	When IND AS 109 is first applied
• IND AS 109 *Financial Instruments (2009)* issued in November 2009 introduces new requirements for the classification and measurement of financial assets. *IND AS 109 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 fromIND AS 39 *Financial Instruments: Recognition and Measurement*. IND AS 109 *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 IND AS 109. IND AS 109 (2009) and IND AS 109 (2010) were superseded by IND AS 109 (2013) and IND AS 109 (2010) also superseded IND AS 109 (2009). The various standards also permit various transitional options. Accordingly, entities can effectively choose which parts of IND AS 109 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.	At its February 2014 meeting, the IASB tentatively decided that the mandatory effective date of IND AS 109 will be no earlier than annual periods beginning on or after 1 January 2018. However, IASB allows each version of the standard to be available for early application.
• Amendments toIND AS 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.	1 July 2014
• Amendments toIND AS 32 *Financial Instruments: Presentation* relating to application guidance on the offsetting of financial assets and financial liabilities.	1 January 2014

Notes to the financial statements
for the year ended 31 March 2017 (continued)

2. Application of new and revised International Financial Reporting Standards ("IND ASs") (continued)

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

New and revised IND ASs	***Effective for annual periods beginning on or after***
• Amendments toIND AS 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 recognized 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.	1 January 2014
• Amendments toIND AS 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.	1 July 2014
• Amendments toIND AS 32 *Financial Instruments: Presentation* relating to application guidance on the offsetting of financial assets and financial liabilities.	1 January 2014
• Amendments toIND AS 39 F*inancial 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.	1 January 2014
• IFRIC 21 *Levies* Interpretation was developed to address the concerns about how to account for levies that are based on financial data of a period that is different from that in which the activity that give rise to the payment of the levy occurs.	1 January 2014
• IND AS 115 *Revenue from Contracts with Customers* The standard specifies how and when an IND AS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.	1 January 2017
• Amendments toIND AS 16 *Property, plant and equipment* andIND AS 38 *Intangible Assets*	1 January 2016
• *Amendments toIND AS 16 andIND AS 4* require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance withIND AS 16.	1 January 2016

Notes to the financial statements
for the year ended 31 March 2017 (continued)

2. Application of new and revised International Financial Reporting Standards ("IND ASs") (continued)

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

New and revised IND ASs	***Effective for annual periods beginning on or after***
• Amendments to IND AS 110, IND AS 112 andIND AS 27 - Guidance on Investment Entities. On 31 October 2012, the IASB published a standard on investment entities, which amends IND AS 110, IND AS 112, andIND AS 27 and introduces the concept of an investment entity in IND ASs.	1 January 2014

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements for the period beginning 1 April 2014 or as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

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

These separate 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 *Consolidated and separate financial statements,* which permits investments in subsidiaries to be accounted under the cost method in such separate financial statements.

Consolidated financial statements of Redington Gulf FZE, for the year ended 31 March 2014, prepared in conformity with IND AS were issued on 22 May 2014.

4. Significant accounting policies

Statement of compliance

These 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 consideration given in exchange for assets. The principal 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 is recognized when the Company's right to receive payment has been established.

Notes to the financial statements
for the year ended 31 March 2017 (continued)
4. Significant accounting policies (continued)

Investment in a subsidiary

Investment in a subsidiary is accounted in these separate financial statements of the Company using the "cost method" in accordance withIND AS 27 *Consolidated and Separate Financial Statements* under which such investment is carried at cost less any provision for impairment in value below cost.

Foreign currencies

For the purpose of the financial statements, the results and financial position of the Company are expressed in United States Dollars (US$), 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 re-translated at the rates prevailing at that 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 translation of monetary items, is included in profit or loss.

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 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.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (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 other receivables, bank balances and cash and amounts due from a related party are measured at amortized 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 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 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 recognized in profit or loss.

For financial assets measured at amortized 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 recognized, the previously recognized 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 amortized cost would have been had the impairment not been recognized.

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 recognizes a collateralized borrowing for the proceeds received.

Notes to the financial statements
for the year ended 31 March 2017 (continued)
4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets (continued)

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 recognized in other comprehensive income and accumulated in equity is recognized 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 recognize under continuing involvement, and the part it no longer recognizes 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 recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized 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 accruals, loan from a related party and amounts due to a related party 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.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

4. Significant accounting policies (continued)

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.

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.

Taxation

Withholding tax

Ten percent tax is withheld on dividend income received by the Company from its subsidiary.

Income tax expense

Income tax expense represents withholding taxes that cannot be recovered and has been expensed during the year.

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

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 investment in a subsidiary

Management regularly reviews its investment in a subsidiary for indicators of impairment. This determination of whether investment in a subsidiary is 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 no impairment provision is necessary on its investment in a subsidiary.

6. Investment in a subsidiary

Investment in a subsidiary is stated at cost as under:

Particulars	**31-Mar-17**	**31-Mar-16**
Investment in Subsidiary	27550,87,400	28147,77,420
Total	**27550,87,400**	**28147,77,420**

Notes to the financial statements
for the year ended 31 March 2017 (continued)

7. Cash and cash equivalents

Particulars	31-Mar-17	31-Mar-16
(b) Balances with banks		
(i) In current accounts	22,65,470	10,60,345
Total	**22,65,470**	**10,60,345**

8. Related party transactions

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

b) 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 end of reporting period, balances with related parties are as follows:

Due to a related party

Particulars	31-Mar-17	31-Mar-16
Parent Company	-	-
Redington Gulf FZE, Dubai, U.A.E	115,94,272	279,02,299
Entities under common control		
Redinton International Mauritius Limited, Mauritius	26764,80,899	178,04,375
Total	**26881,17,996**	**457,49,134**

Loan from a related party

Particulars	31-Mar-17	31-Mar-16
Parent Company		
Redington Gulf FZE, Dubai, U.A.E	26764,80,899	27344,67,879
Total	**26764,80,899**	**27344,67,879**

c) The nature of significant related party transaction and the amount involved during the year was as follows:

Paticular	31-Mar-17	31-Mar-16
Subsidiary		
Dividend Income	-	354,44,491
Parent Company		
Interest Expenses	118,70,972	248,61,964

d) Key management remuneration is paid by the ultimate controlling party and is not recharged to the Company.

9. Share capital

Share capital comprises 18,000 authorized and fully paid shares of US$ 25 each.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

10. General and administrative expenses

Particulars	31-Mar-17	31-Mar-16
Professional Charges	41,02,808	37,97,164
Miscellaneous Expenses	18,41,885	10,51,589
Total	**59,44,693**	**48,48,753**

11. Income tax expense

During the year ended 31 March 2017, company accrued dividend income Nil (2015: US$ 541,987) from its subsidiary, Arena Bilgisayar Sanayi ve Ticaret S.A., of which 10% withholding tax amounting to Nil (2016: US$ 54,198) has been withheld and accrued. As the Company cannot recover the tax withheld, the same amount has been expensed during the year.

12. 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 4 to the financial statements.

(b) Categories of financial instruments

Financial Assets	31-Mar-17	31-Mar-16
Loans and receivables (including cash and cash equivalents)	3703584	38767324

Financial liabilities		
At amortized cost	2712278618	2788265747

(c) Fair value

The fair value of the financial assets and financial liabilities approximates the carrying values in the statement of financial position as at 31 March 2017.

13. 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.

Notes to the financial statements
for the year ended 31 March 2017 (continued)
13. Financial risk management (continued)

(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

As at 31 March 2017, 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 cash flows of financial liabilities based on the earliest date on which the Company can be required to pay:

Particulars	**Less than 1 Year**	**Between 2-5 Years**	**Total**
2017			
Non Intrerest bearing Instruments	35797719	2676480899	2712278618
2016			
Non Intrerest bearing Instruments	53928854	2734467879	2788396733

The following table details the Company's remaining contractual maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted cash flows of financial assets based on the earliest date on which the Company can collect:

Particular	**Less than 1 year**	**Total**
2017		
Non Intrerest bearing Instruments	3703584	3703584
2016		
Non Intrerest bearing Instruments	38767324	38767324

Notes to the financial statements
for the year ended 31 March 2017 (continued)

14. Capital risk management

The Company 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 capital structure of the Company consists of loan from a related party, share capital and retained earnings.

15. Contingency

As at 31 March 2017, the administrative lawsuit filed by Redington Turkey Holdings S.A.R.L. (RTHS) before the 8th Administrative Court of Ankara, as the plaintiff, requesting the cancellation of the decision of the Capital Markets Board (CMB) dated 25 August 2011, requiring RTHS to file an application with the aim to conduct a mandatory tender offer towards the shareholders of Arena Bilgisayar Sanayi ve Ticaret A.S. (Arena) in connection with its purchase of 49.4% stake in Arena on 29 November 2010 has been concluded in favor of RTHS' request and the decision of the CMB dated 25 August 2011 has been cancelled. On 3 January 2013, the CMB appealed this decision following which RTHS filed its responses on 3 February 2013. Although the lawsuit file has been assigned to the 13th Chamber of the Council of State for appellate review, the Chamber had not concluded its appellate review as at 31 March 2016.

The CMB had later imposed an administrative monetary fine against RTHS in the amount of US$ 68,041 by its decision dated 11 April 2012, stating RTHS' non-compliance with its decision dated 25 August 2011 as the reason. On 9 May 2012, RTHS challenged this fine by filing a lawsuit before the 20th Peace Criminal Court of Istanbul. As at 31 March 2016, the 20th Peace Criminal Court of Istanbul had not yet resolved on this lawsuit.

The CMB's decision dated 25 August 2011 was based on an injunction decision given by the 13th Chamber of the Council of State on 18 July 2011, as a result of a lawsuit filed by an individual investor against the CMB requesting injunction on and the cancellation of certain provisions of the CMB Communique regulating tender offers in Turkish public companies and the CMB decision turning down the request of the investor seeking a tender offer to be launched by RTHS in connection with its purchase of 49.4% stake in Arena on 29 November 2010. The injunction decision given by the 13th Chamber of the Council of State was challenged by the CMB before the Council of Administrative Chambers of the Council of State which ruled for the revoke of the stay of execution on 2 February 2012. Prior to the decision rendered by the Council of Administrative Chambers, on 10 October 2011, RTHS had applied to the 13th Chamber of the Council of State to join and become a party in this lawsuit on the side of the defendant CMB. RTHS also submitted a detailed petition explaining why the challenge by the CMB should be upheld. On 20 September 2012, the court accepted RTHS' request to become a party to the lawsuit on the side of the defendant CMB. On July 2, 2015, the prosecutor of Council of State had issued his opinion mentioning that the law suit should be rejected. The 13th Chamber held a hearing on October 15, 2015 and heard the parties. The Chamber has not rendered its decision yet.

**ARENA BİLGİSAYAR SANAYİ
VE TİCARET A.Ş.**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016 AND
INDEPENDENT AUDITOR'S REPORT

CONTENTS **PAGE**

ARENA BİLGİSAYAR SANAYİ VE TİCARET A.Ş.

FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2016

(Amounts expressed in Indian Rupees unless otherwise indicated.)

Statement of financial position as at December 2016

Assets			
Non-Current Assets			
Property Plant and Equipment	9	718,64,650	1030,03,335
Other Intangible assets	10	68,60,425	72,77,050
Non-Current Financial Assets	12	1774,20,100	1727,96,860
Deferred Tax Assets (Net)		-	240,14,265
Other Non Current Assets	13	-	66,155
Total Non Current Assets		**2561,45,175**	**3071,57,665**
Current Assets			
Inventories	14	30404,58,850	30863,95,370
Trade receivables	5	84654,24,825	70358,48,870
Cash and bank balances	4	2571,64,050	5818,99,380
Other financial assets	12	76,75,525	-
Other Current Assets	8	964,53,500	295,71,285
Total Current assets		**118671,76,750**	**107337,14,905**
Total Assets		**121233,21,925**	**110408,72,570**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)	**9**		
Equity Share Capital		15160,18,075	14765,13,445
Other Equity			
Share premium			
Other reserves		26962,65,632	1971,44,040
Retained earnings		5054,47,168	27221,43,800
Equity attributable to the owners of the Company		**47177,30,875**	**43958,01,285**
Non-Controlling interests		-	-
Total Equity		**47177,30,875**	**43958,01,285**
Non-Current Liabilities			
Borrowings (Financial liability)	14	114,11,400	123,04,830
Deferred Tax Liabilities (Net)		279,17,175	-
Provisions	15	438,79,550	491,53,165
Total Non-current Liabilities		**832,08,125**	**614,57,995**
Current Liabilities			
Financial Liabilities			
Trade and other payables	13	37155,65,425	29779,67,325
Borrowings	12	26168,10,625	26987,27,070
Other financial Liablities	12	-	85,33,995
Current tax liabilities (net payables)		1480,76,500	578,19,470
Other Current Liablities	14	8419,30,375	8405,65,430
Total Current Liabilities		**73223,82,925**	**65836,13,290**
Total Equity and Liabilities		**121233,21,925**	**110408,72,570**

ARENA BİLGİSAYAR SANAYİ VE TİCARET A.Ş.

FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2016

(Amounts expressed in Indian Rupees unless otherwise indicated.)

Statement of Profit and Loss for the period ended December 2016

Particulars	Note No.	Period ended December 31,2016	Period ended December 31,2015
Comprehensive Income:			
(a).Revenue from operations	18	32,558,711,382	31,520,400,689
(b)Dividend income	19	87,881,753	187,040,694
(c).Total Revenue(a+b)		**32,646,593,135**	**31,707,441,383**
Purchase of traded goods		30,738,208,453	28,947,617,063
Changes in inventories		45,936,520	896,542,130
Employee Benefits	19	594,142,464	559,068,100
Finance Costs	20	235,493,536	285,503,434
Depreciation & Amortisation	9	52,070,611	66,433,465
Other Expenses	19	442,499,408	469,655,716
Total Expenses(d)		**32,108,350,991**	**31,224,819,908**
Profit before Corporate social responsibility expenditure and Tax		**538,242,144**	**482,621,475**
Profit before exceptional items and tax		**538,242,144**	**482,621,475**
e.Profit before tax (c-d)		**538,242,144**	**482,621,475**
Income Tax expense:			
Current tax		(261,428,059)	(253,987,655)
h.Profit for the Year (e-f-g)		**276,814,085**	**228,633,820**
Total Comprehensive Income for the Year attributable to (h+k)		276,814,085	228,633,820
Profit for the year attributable to the :-			
Shareholders of the Company		276,814,085	228,633,820
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		276,814,085	228,633,820

The accompanying notes form an integral part of these financial statements.

ARENA BİLGİSAYAR SANAYİ VE TİCARET A.Ş.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2016

(Amounts expressed in Indian Rupees unless otherwise indicated.)

Particulars	Share capital	Share premium	Cashflow hedge reserve	Acutarial loss	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	14765,13,445	36,38,525	3,30,775	(354,59,080)	2286,33,820	27221,43,800	43958,01,285
Profit for the year					2768,14,085		2768,14,085
Dividend paid					(737)		(737)
Other comprehensive income			(10,07,818)				(10,07,818)
Foreign currency adustment							-
Additions during the year				(9,48,720)	-	470,72,781	461,24,061
Deduction							-
Balance as at March 31, 2017	15160,18,075	37,35,875	(6,79,250)	(364,07,800)	5054,47,168	27692,16,581	47177,30,875

The accompanying notes form an integral part of these financial statements.

ARENA BİLGİSAYAR SANAYİ VE TİCARET A.Ş.

STATEMENT OF CASH FLOWS
FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2016

(Amounts expressed in Indian rupees unless otherwise indicated.)

Particulars	31-Dec-16	31-Dec-15
Profit before income tax	5382,42,144	4826,21,475
Adjustments for		
Interest Income and expenses, credit card commissions and other financial expenses	2711,70,302	3471,87,067
Depritiation and Amortisation Expenses	520,70,611	664,33,465
Allowance for Inventories	(358,78,330)	261,88,265
Provion for Doubtfull Receivables	(278,15,784)	295,25,985
Charge for employment termination benefit	185,43,856	55,20,075
Investment revenue recognised in profit and Loss	(1009,16,203)	(1731,12,132)
Change in Working capital		
Change in Trade Receivables	(12000,42,807)	853,04,421
Change in Inventories	1629,97,808	10696,75,073
Change in other current and non assets	(826,41,098)	1520,58,821
Change in Payables	6507,81,850	(16486,41,119)
Change in other current and non Liabilities	(221,04,814)	1037,26,068
Employee termination benefit paid	(250,61,081)	(148,27,179)
Income Tax Paid	(1216,77,259)	(3116,27,512)
Increase in trade and other payables	-	-
Net cash flow from operating activity	**776,69,195**	**2200,32,772**
Cash flow from investing activity		
Purchase of property and equipment	(191,48,547)	(83,44,300)
Dividend Income	1009,16,203	1731,12,132
Net cash in investing activity	817,67,656	1647,67,832
Cash flow from financing activity		
Change in bank borrowings	(1394,14,861)	(1027,63,264)
Dividend Paid	(737,05,109)	(1209,28,163)
Interest Income and expenses, credit card commissions and other financial expenses	(2829,28,182)	(3348,63,178)
Net cashflow from financing activity	**(4960,48,152)**	**(5585,54,605)**
Net increase in cash and cash equivalents	(3366,11,302)	(1737,54,001)
Cash and Cash equivalents at the beginning of the year	5818,99,380	7189,37,500
Currency transalation asjustment	118,75,972	367,15,881
Cash and Cash equivalents at the end of the year	**2571,64,050**	**5818,99,380**

The accompanying notes form an integral part of these financial statements.

NOTE 1 - ORGANISATION AND PRINCIPAL ACTIVITIES

Arena Bilgisayar Sanayi ve Ticaret A.Ş. (the "Company") was incorporated on 18 September 1991. The Company is engaged in the wholesale of personal computers, peripherals, consumer electronics and telecommunication devices. The Company purchases the merchandise from domestic and international suppliers and through its distribution network sells them to the customers in the domestic market and the Turkish Republic of Northern Cyprus. The Company is registered and operates in Turkey. The address of its registered office is as follows:

Merkez Mahallesi, Göktürk Caddesi No.4
Eyüp 34077 Istanbul
Turkey

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 2016 is 50,6%.

The Company's headquarter is located in Istanbul and has branches in Ankara and Istanbul Ataturk Airport Free Trade Zone. The Company does not have any corporate tax incentive for the income related with Free Trade Zone. The number of employees of the Company at 31 December 2016 is 224 (31 December 2015: 243).

Subsidiaries

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, and software and telecommunication devices.

At its meeting on 28 March 2012, the Company's Board of Directors decided to establish a new commercial company under the name of Sensonet Teknolojileri Elektronik ve Bilişim Hizmetleri Sanayi ve Ticaret A.Ş. ("Sensonet").

Negotiations between ADEO Bilişim Danışmanlık Hizmetleri San. Ve Tic. A.Ş. (ADEO) shareholders and the Company were finalized on 29 August 2013 and with the agreement signed that day, the Company acquired 47,78 % shares of ADEO in return for 1.090.000 US Dollars. As required by the signed agreements, ADEO made a capital increase on its extraordinary general assembly meeting dated 3 October 2013

On 16 January 2015, the Company established a new subsidiary to operate in the payment intermediation services area "PayNet Güvenli Ödeme Hizmetleri Anonim Şirketi" with an initial share capital (two millions of Turkish Lira) . PayNet Ödeme Hizmetleri A.Ş. got the paying agency licence under the law number 6493 and with pursuant to Article 6973 of the BRSA and published in the Offical Gazette with number 29804 as of 17 August 2016.

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 INFORMATION

a) Basis of Preparation

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 special purpose financial statements expressed in US Dollars are based on the statutory records, with adjustments and reclassifications, including remeasurement from USD to INR for the purpose of fair presentation in accordance with Indian Accounting Standard ("IND AS"). Separate financial statements are prepared for the parent company, Redington Gulf FZE.

The Company has 4 subsidiaries: Arena International FZE, Sensonet Teknoloji Elektronik ve Bilişim Hizmetleri Sanayi ve Ticaret A.Ş., ADEO Bilişim Danışmanlık Hizmetleri San. Ve Tic. A.Ş. and Paynet Ödeme Hizmetleri A.Ş. with 100%, 99,78%, 51% and 100% ownership, respectively. The financial statements are also prepared as required by IND AS.

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 IND AS 21, "The Effects of Changes in Foreign Exchange 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.

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 Indian Accounting Standard

i) Amendments to IND ASs affecting amounts reported and/or disclosures in the financial statements

None.

ii) New and revised IND ASs applied with no material effect on the financial statements

The Company has not applied the following new and revised IND ASs that have been issued but are not yet effective:

IND AS 114	*Regulatory Deferral Accounts* [1]
Amendments to IND AS 16 and IND AS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation* [1]
Annual Improvements to 2012-2014 Cycle	*IND AS 19,IND AS 34*[1]
Amendments to IND AS 1	*Disclosure Initiative*[1]

[1] Effective for annual periods beginning on or after 1 January 2016.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION (continued)

b) New and Revised Indian Accounting Standard (continued)

ii) New and revised IND AS s applied with no material effect on the financial statements (continued)

IND AS 114 Regulatory Deferral Accounts

IND AS 114 Regulatory Deferral Accounts permits an entity, which is a first-time adopter of Indian Accounting Standard to continue to account, with some limited changes, for ‘regulatory deferral account balances’ in accordance with its previous GAAP, both on initial adoption of IND AS and in subsequent financial statements.

IND AS 114 was issued by the IASB on 30 January 2014 and is applied to an entity's first annual IND AS financial statements for a period beginning on or after 1 January 2016.

Amendments to IND AS 16 and IND AS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment clarifies 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

IND AS105: Adds specific guidance in IND AS105 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.

IND AS107: 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.

IND AS 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.

IND AS 34: Clarify the meaning of ‘elsewhere in the interim report’ and require a cross-reference.

Amendments to IND AS 1 Disclosure Initiative

This amendment addresses perceived impediments to preparers exercising their judgment in presenting their financial reports.

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION (continued)

b) New and Revised Indian Accounting Standard (continued)

iii) New and revised IND ASs in issue but not yet effective

The Company has not applied the following new and revised IND ASs that have been issued but are not yet effective:

Amendments to IND AS 12	*Recognition of Deferred Tax Assets for Unrealized Losses*[1]
Amendments to IND AS 7	*Disclosure Inıtiative*[1]
IND AS109	*Financial Instruments*[2]
IND AS115	*Revenue from Contracts with Customers*[2]
Amendments to IND AS 115	*Revenue from Contracts with Customers*[2]
Amendments to IND AS 102	*Classification and Measurement of Share-Based Payment Transactions*[2]
IND AS 116	Leases [3]
Amendments to IND AS 104	Applying IND AS 109 'Financial Instruments' with IND AS 104 'Insurance Contracts'
IFRIC 22	*Foreign Currency Transactions and Advance Consideration* [2]
Annual Improvements to IND AS Standards 2014–2016 Cycle	*IND AS 101* [2], *IND AS 112* [1], *IND AS 28* [2]

[1] Effective for annual periods beginning on or after 1 January 2017.
[2] Effective for annual periods beginning on or after 1 January 2018.
[3] Effective for annual periods beginning on or after 1 January 2019.

Amendments to IND AS 12 Recognition of Deferred Tax Assets for Unrealized Losses

This amendment clarifies the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

Amendments to IND AS 7 Disclosure Inıtiative

This amendment clarifies that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IND AS 109 Financial Instruments

IND AS 109, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. IND AS 109 was 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 IND AS 109 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.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION (continued)

b) New and Revised Indian Accounting Standard (continued)

iii) New and revised IND ASs in issue but not yet effective (continued)

IND AS 115 Revenue from Contracts with Customers

IND AS 115 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

- Identify the contract with the customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contracts.
- Recognise revenue when the entity satisfies a performance obligation.

Amendments to IND AS 115 Revenue from Contracts with Customers

This amendment clarifies three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and provides some transition relief for modified contracts and completed contracts.

Amendments to IND AS 102 Classification and Measurement of Share-Based Payment Transactions

This amendment clarifies the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity settled.

IND AS 116 Leases

This new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IND AS 116 supersedes IND AS 17 “Leases” and related interpretations and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if IND AS 115 'Revenue from Contracts with Customers' has also been applied.

Amendments to IND AS 104 Applying IND AS 109 ‘Financial Instruments’ with IND AS 104 ‘Insurance Contracts’

This amendment provides optional approaches for entities that issue insurance contracts within the scope of IND AS 104, and the entities are permitted to stop applying them before the new insurance standard is applied.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognizes a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

The Interpretations Committee came to the following conclusion:

- The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.

- If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION (continued)

b) New and Revised Indian Accounting Standard (continued)

iii) New and revised IND ASs in issue but not yet effective (continued)

Annual Improvements to IND AS Standards 2014–2016 Cycle

- **IND AS 101:** Deletes the short-term exemptions in paragraphs E3–E7 of IND AS 101, because they have now served their intended purpose.

- **IND AS 112:** Clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IND AS 105 Non-current Assets Held for Sale and Discontinued Operations.

- **IND AS 28:** Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

The Company evaluates the effects of these standards, amendments and improvements on the financial statements.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

3.1 Accounting 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 the goods are delivered and titles have passed, at which time all the following conditions are satisfied; i) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods, ii) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, iii) The amount of revenue can be measured reliably, iv) It is probable that the economic benefits associated with the transaction will flow to the entity, v) The costs incurred or to be incurred in respect of the transaction can be measured reliably. 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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.1 Accounting Policies (continued)

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). Credit card receivables presented within cash and cash equivalents are transferred to bank accounts in the first business day following balance sheet date without any discount in the nominal value.

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 (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.

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

a) A person or a close member of that person's family is related to a reporting entity if that person,

(i) has control or joint control over the reporting entity,

(ii) has significant influence over the reporting entity,

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member)
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a)
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged (Note 6).

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.1 Accounting Policies (continued)

Inventories

Inventories are valued 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 selling expenses to perform the sales.The cost of inventories is determined on the moving average basis for each purchase (Note 7).

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

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Company uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

The significant interest rate risk arises from bank loans and trade receivables of Turkish Liras. The Company's policy is to convert Turkish Liras bank loans and trade receivables to US Dollars. The Company designates these as cash flow hedges of interest rate risk.

The Company do not use derivative financial insturements for the purpose of speculation.

Derivatives are initially recognized at fair value at the date the derivative 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 unless the derivative is designated and effective as a hedging instrument, in which event the resulting gain or loss is recognized under equity.

The Company's policy is to use derivative financial instruments to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. When the forecasted transaction or firm commitment results in the recognition of an asset or a liability, the gains and losses related with derivative financial instruments previously recognized under equity are transferred from equity and included in the initial measurement of the cost of acquisition of the asset or liability. When the forecasted transaction or firm commitment do not result in the recognition of an asset or liability, gains or losses related with derivative financial instruments previously recognized 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. Changes in the fair value of derivative financial instruments which do not meet the criteria for hedge accounting recognized in profit or loss statement in the period they occurred.

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 not measured at FVTPL.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.1 Accounting Policies (continued)

Property, equipment and related depreciation

Property and equipment are carried at cost less accumulated depreciation (Note 9). 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.

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, computer software and non-compete agreements (Note 10). Acquired licences, computer software and non-compete agreements 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.

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 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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.1 Accounting Policies (continued)

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 (Note 12).

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 acquired under finance lease agreements are capitalized at the inception of the lease at the fair value of the leased asset, net of grants and tax credits receivable, or at the present value of the lease payment, whichever is the lower. The corresponding liability to the lessor is included in the statement of financial position as a financial liability and reduced in accordance with payments to the lessor. Finance interest payments are recognized immediately in profit or loss.

Assets held under finance leases are amortized during the useful lifes of the assets.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>

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.

<u>Deferred income taxes</u>

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

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No. 19 (revised) "Employee Benefits" ("IND AS 19").

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

The provision for employment termination benefits represents the present value of the estimated total provision of the future probable obligation of the Group 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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.1 Accounting Policies (continued)

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.

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.

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 statement of financial position 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.

(Amounts expressed in Indian Rupees unless otherwise indicated.)

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.

3.6 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.

3.7 Critical judgments in applying the entity's accounting policies

Net realizable value

Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. The Company management has identified certain inventory items where the net realizable values were below the cost of the related inventory. The Company has allowance for inventories at different rates in certain age of groups by taking into consideration of salable value of inventories on the market conditions.

Trade receivables and impairment

Provision for impairment of receivables is recognized if the Company will not be able to collect all amounts due. The amount of the provision is calculated by examination of the Company's overdue receivables and calculation of net risk considering the guarantees and collaterals obtained.

Deferred taxes

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities.

NOTE 4 - CASH AND CASH EQUIVALENTS

The analysis of cash and due from banks at 31 December 2016 and 2015 is as follows:

Cash and Cash Equivalents		
Particulars	**31-Dec-16**	**31-Dec-15**
(a) Cash on hand	525,73,950	435,96,145
(b) Balances with banks		
(i) In current accounts	2045,90,100	5383,03,235
Total	**2571,64,050**	**5818,99,380**

As at 31 December 2016, there are no time deposits. (31 December 2015: None).

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 5 - TRADE RECEIVABLES

The analysis of accounts receivables at 31 December 2016 and 2015 is as follows:

Trade and other receivable		
Particulars	**31-Dec-16**	**31-Dec-15**
Trade receivables		-
Considered good	84654,24,825	70358,48,870
Considered doubtful	3399,64,625	3409,62,870
Less: Provision for doubtful trade receivables	(3399,64,625)	(3409,62,870)
Total Trade and other receivable	**84654,24,825**	**70358,48,870**

Particulars	**31-Dec-16**	**31-Dec-15**
Trade Receivable		
Due from releted party	799,47,725	859,35,345
Due from third party	53883,54,400	39245,79,220
Cheque and notes receivable	33370,87,325	33662,97,175
Less:- Provision for Impairment of receivable	(3399,64,625)	(3409,62,870)
Total	84654,24,825	70358,48,870

Cheques receivables amounting to INR 11,53,367 were given to financial institutions as a guarantee for bank loans used (31 December 2015: INR 479).

The movements in the provision for impairment of receivables for the years ended 31 December 2016 and 2015 are as follows:

Particulars	**31-Dec-16**	**31-Dec-15**
Balance as per last Balance sheet	3409,62,870	3080,52,045
Charge for the year	16,12,509	326,06,957
Collections	(294,28,293)	(30,80,972)
CTA	268,17,539	33,84,840
Closing balance	**3399,64,625**	**3409,62,870**

As at 31 December 2016, accounts receivables of INR 31,41,53,125 (31 December 2015: INR 27,70,57,140) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these accounts receivables is as follows:

Particulars	**31-Dec-16**	**31-Dec-15**
Upto 1 month	2568,92,350	2447,07,345
1 to 2 months	243,85,075	105,18,645
2 to 3 months	69,28,350	11,24,635
Over 3 months	259,47,350	207,06,515
Total	**3141,53,125**	**2770,57,140**
Total Amount Secured	778,42,050	1746,49,200

The Company obtained the following collaterals for its account receivables at 31 December 2016 and 2015:

(Amounts expressed in Indian Rupees unless otherwise indicated.)

Particulars	31-Dec-16	31-Dec-15
Insurance Coverage	70052,41,100	107169,77,690
Letters of guarantee given,Cheque and Letters of Guarantee	13901,53,050	10063,49,860
Mortages	243,85,075	287,11,270
Total	84197,79,225	117520,38,820

NOTE 5 - TRADE RECEIVABLES (continued)

The Company signed an insurance agreement with Euler Hermes Incsurance for coverage of the Company's receivables within Turkey. Summary of the policy is as follows;

- The policy is valid between 1 February 2016 - 31 January 2017.
- All receivables within the coverage of the policy are US Dollars denominated.
- Coverage ratio for receivables which credit limit demanded is 85 %.
- Total coverage as of 31 December 2016 is INR 7,00,52,41,100.
- As at 31 December 2016, 2,52,31,42,050 INRof the 8,46,54,24,825 INR receivable amount have been secured by insurance coverage (31 December 2015: 3,57,15,76,140 INR of the 7,03,58,48,870 INR receivable amount).

NOTE 6 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

i) Major transactions with related parties for the years ended 31 December 2016 and 2015 are as follows:

Due from Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Sensonet Teknoloji Elekt.ve Bilisim Hizm.A.S	333,51,175	469,03,895
Adeo Bilisim ve Dan.Hizm.San.ve Tic.A.S	282,56,800	387,66,830
Link plus Bilgisayar Sis San ve Tic A.S	183,39,750	-
Paynet Odeme Hizmetleri A.S	-	2,64,620
Total	**616,07,975**	**856,70,725**

The trade receivables from related parties mainly related with advance payments.

Due to Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Arena International FZE	8213,49,100	4790,28,355
Total	**8213,49,100**	**4790,28,355**

Sale to Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Sensonet Teknoloji Elekt.ve Bilisim Hizm.A.S	1308,91,475	1157,05,095
Adeo Bilisim ve Dan.Hizm.San.ve Tic.A.S	416,38,025	799,81,395
Link plus Bilgisayar Sis San ve Tic A.S	608,60,800	717,78,175
Paynet Odeme Hizmetleri A.S	52,30,225	-
Arena International FZE	6,79,250	39,03,145
Total	**1725,29,500**	**1956,86,490**

(Amounts expressed in Indian Rupees unless otherwise indicated.)

Purchase from Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Arena International FZE	91831,20,375	92224,03,930
Sensonet Teknoloji Elekt.ve Bilisim Hizm.A.S	514,87,150	525,93,225
Adeo Bilisim ve Dan.Hizm.San.ve Tic.A.S	349,81,375	249,40,435
Paynet Odeme Hizmetleri A.S	-	76,73,980
Redington Gulf FZE	28,52,850	15,21,565
Total	**91831,20,375**	**92224,03,930**

The purchases from related parties are generally due to purchase transactions within the operating segments of the Company.

NOTE 6 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Other Income derivedfrom Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Sensonet Teknoloji Elekt.ve Bilisim Hizm.A.S	165,73,700	144,87,945
Adeo Bilisim ve Dan.Hizm.San.ve Tic.A.S	36,67,950	76,73,980
Paynet Odeme Hizmetleri A.S	117,51,025	29,76,975
Total	**319,92,675**	**251,38,900**

Other income consisted of cost sharing invoices charged to related parties.

ii) Remuneration of directors and key management personnel for years ended 31 December 2016 amounted to INR 11.88,00,825 (31 December 2015: INR 12,13,94,425).

NOTE 7 - INVENTORIES

The analysis of inventories at 31 December 2016 and 2015 is as follows:

Inventories		
Particulars	**31-Dec-16**	**31-Dec-15**
(a) Trading Stocks	24353,82,950	26967,42,420
(b) Goods In Transist	6050,75,900	3896,52,950
Total	**3040458850**	**30863,95,370**

The movement of allowance for inventories at 31 December 2016 and 2015 is as follows:

Movement of allowance of inventories		
Particulars	**31-Dec-16**	**31-Dec-15**
Balance at January 1, 2016	(681,39,650)	(392,07,770)
Additional Provisions	(86,00,049)	(442,24,790)
Provisions no longer required	444,78,380	180,36,525
Balance at December 31, 2016	(322,61,320)	(653,96,035)

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 8 - OTHER CURRENT ASSETS

The analysis of other current assets at 31 December 2016 and 2015 is as follows:

Other current assets		
Particulars	**31-Dec-16**	**31-Dec-15**
Corporate Tax Recoverable	20,37,750	24,47,735
Prepayments	174,56,725	167,37,215
Others	769,59,025	103,86,335
Total	**964,53,500**	**295,71,285**

NOTE 9 - PROPERTY AND EQUIPMENT

The movements in the property and equipment and related accumulated depreciation for the year ended 31 December 2016 and 2015 were as follows:

Tangible Assets			
Description	**Furniture & Fixtures**	**Vehicles**	**Total**
Cost			
As at 01.04.16	5887,13,345	16,53,875	5903,67,220
Additions	120,26,631	16,12,509	136,39,141
Assets of Subsidiaries acquired	-	-	-
Disposal	76,59,419	16,79,697	93,39,116
Disposl of assets of EA			-
Translation adjustments	157,99,143	43,513	158,42,655
As at 31.03.17	**6088,79,700**	**16,30,200**	**6105,09,900**
Accumulated Depreciations			
As at 01.04.16	4857,10,010	16,53,875	4873,63,885
Additions	456,20,574	3,35,939	459,56,513
Assets of subsidiaries acquired	-	-	-
Disposals	64,50,037	16,79,697	81,29,734
Disposal of Assets of EA			-
Translation adjustments	134,25,078	29,508	134,54,586
As at 31.03.17	**5383,05,625**	**3,39,625**	**5386,45,250**
Carrying Amount			
As at 01.04.16	**1030,03,335**	**-**	**1030,03,335**
As at 31.03.17	**705,74,075**	**12,90,575**	**718,64,650**

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 10 - INTANGIBLE ASSETS

The movements in intangible assets and related accumulated amortization for the years ended 31 December 2016 and 2015 are as follows:

Intangible Assets			
Particulars	**Software**	**Non competition fee**	**Total**
Cost			
As at 01.04.16	1054,51,070.00	1019,00,190.00	2071,97,460.00
Additions	55,09,406.54	-	55,09,406.54
Assets acquired on acquisition	-	-	-
Disposals	-	-	-
Translation adjustment	28,81,823.46	25,68,460.00	56,04,083.46
As at 31.03.17	**1138,42,300.00**	**1044,68,650.00**	**2183,10,950.00**
Accumulated Depreciation			
As at 01.04.16	981,74,020.00	1017,46,390.00	1999,20,410.00
Additions	61,14,097.50	-	61,14,097.50
Assets acquired on acquisition			-
Disposals	-	-	-
Disposal of assets of EA			-
Translation adjustment	26,93,757.50	27,22,260.00	54,16,017.50
As at 31.03.17	**1069,81,875.00**	**1044,68,650.00**	**2114,50,525.00**
Carrying Amount			
As at 01.04.16	**72,77,050.00**	**1,53,800.00**	**72,77,050.00**
As at 31.03.17	**68,60,425.00**	**-**	**68,60,425.00**

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 11 - 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 2016 is 20% (2015: 20%) for the Company.

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2016 is 20% (2015: 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.

Current Income Taxes

Current Income Taxes		
Particulars	**31-Dec-16**	**31-Dec-15**
Corporation and income taxes	2094,24,636	2815,88,032
Less: Prepaid taxes	629,55,048	2254,88,661
Income tax payable, net	**1464,69,588**	**560,99,371**

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 11 - TAXATION ON INCOME (continued)

Reconciliation of tax expense for the years ended at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
Proft/(Loss) before tax	5382,42,144	4826,21,475
Tax at the enacted tax rate of 20%	(1076,34,991)	(965,37,132)
Tax effect of non-deducatable expenses	95,40,680	73,17,309
Tax effect of excemptions	(59,79,722)	(53,27,515)
Currency translation differences and other	(1573,54,026)	(1594,40,317)
Taxation on Income	**2768,14,085**	**2286,33,820**

The taxation on income for the years ended 31 December 2016 and 2015 are as follow:

Particulars	31-Dec-16	31-Dec-15
Current tax expense	(2094,24,636)	(2815,88,032)
Deffered tax income/(expense)	(520,03,423)	276,00,377
Income tax expenses	**(2614,28,059)**	**(2539,87,655)**

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IND AS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IND AS and tax purposes and they are given below.

For calculation of deferred tax asset and liabilities, the rate of 20% (2015: 20%) is used.

The breakdown of cumulative temporary differences and the resulting deferred tax assets/ (liabilities) provided at 31 December 2016 and 2015 using the enacted tax rates are as follow:

Particulars	31-Dec-16	31-Dec-15
Accrued Expenses	46,18,900	105,84,800
Employee temination benefits and unpaid vacation allowance	110,71,775	123,04,830
Doubtful Receivable	36,00,025	97,90,940
Accounts Receivable	76,75,525	81,37,065
Property Plant and equipment	(98,49,125)	(128,34,070)
Inventories	(410,26,700)	(164,72,595)
Other	(40,07,575)	125,03,295
Deferred income tax asstes / (liabilities)	**(279,17,175)**	**240,14,265**

NOTE 11 - TAXATION ON INCOME (continued)

Particulars	31-Dec-16	31-Dec-15
Deffered Tax Assets	-	240,14,265
Deffered Tax Liability	(279,17,175)	-
Total	(279,17,175)	240,14,265

The movements in deferred tax assets and liabilities for the years enden 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
Balance at 1st January	240,14,265	(126,70,035)
Charged to Income	(520,03,423)	276,00,377
Charged to Equity	-	76,59,419
Currency Translation differences	-	13,43,758
Balance at 31st December	(279,89,158)	239,33,518

NOTE 12 - BANK BORROWINGS, OTHER SHORT AND LONG TERM FINANCIAL INVESTMENTS

i) Bank borrowings

The analysis of bank borrowings at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
Borrowings in Turkish lira	5328,71,625	4654,66,580
Borrowings in USD	20839,39,000	22332,60,490
Total	**26168,10,625**	**26987,27,070**

Total interest accrual related with the Company's short-term bank borrowings as at 31 December 2016 is INR 2,19,39,775 (31 December 2015: INR 2,40,80,420).

ii) Financial investments

Particular	31-Dec-16		31-Dec-15	
	Assets	Liabilities	Assets	Liabilities
Derivative financial istruments	76,75,525	-		85,33,995
Total	**76,75,525**	-	-	**85,33,995**

Derivative financial assets consist of forward purchase contracts (Note 22).

NOTE 12 - BANK BORROWINGS, OTHER SHORT AND LONG TERM FINANCIAL ASSETS (continued)

iii) Investments in subsidiaries

As of 31 December 2016 and 2015 the Company's subsidiaries, their percentage shares and amounts of the ownership interest are as follows:

Investment in Subsidiaries				
Particulars	Rate %	31-Dec-16	Rate %	31-Dec-15
Sensonet Teknoloji Elektronık Ve Bılısım Hızmetlerı Sanayı Ve Tıcaret Anonim Şırketı	99.78	165,73,700	99.78	161,41,820
Arena International FZE	100	184,75,600	100	179,94,160
ADEO Bilişim Danışmanlık Hizmetleri San. ve Tic. A.Ş.**	51	840,91,150	51	818,99,890
Paynet Ödemet Hizmetleri Anonim Şirketi (Turkey)	100	582,79,650	100	567,60,990
Total		1774,20,100		1727,96,860

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 13 - TRADE PAYABLES

The analysis of trade payables at 31 December 2016 and 2015 is as follows:

Trade and other payables		
Particulars	**31-Dec-16**	**31-Dec-15**
Trade Payables	37155,65,425	29779,67,325
Total Trade Payables	**3715565425**	**2977967325**

(*) As of 31 December 2016, rebates, stock protection and other similar income accruals to be obtained from suppliers amounted at INR 44,70,82,350 (31 December 2015: INR 60,02,24,315). These balances are offset with supplier current accounts and are included in the trade payables. The movement of income accruals before offsetting as of 31 December 2016 and 2015 is as follows:

NOTE 14 - OTHER CURRENT AND NON-CURRENT LIABILITIES

The analysis of other current liabilities at 31 December 2016 and 2015 is as follows:

Other Current liablities		
Particulars	**31-Dec-16**	**31-Dec-15**
(a) Creditors for other liabilities	3400,32,550	4011,63,920
(b) Deferred revenue	2917,37,875	2148,05,285
(c) Statutory liabilities	1291,25,425	1082,29,580
(d) Advances/Deposit received from customers	626,26,850	964,53,990
(e) Other Liabilities	184,07,675.00	199,12,655.00
Total	**8419,30,375**	**8405,65,430**

The analysis of other non-current liabilities at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
Unpaid Vacation allowance	32,36,542	421,73,047

(*)The Company has advance collections from customers amounting to INR 6.26,26,850 as at 31 December 2016 (31 December 2015: INR 964,53,990).

(**)Deferred revenue at 31 December 2016 and 2015 represent goods invoiced to customers which were not dispatched as of the balance sheet date.

NOTE 15 – PROVISION FOR EMPLOYEE TERMINATION BENEFITS

Under Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, is called up for military service, dies or achieves the retirement age (58 for women and 60 for men).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. IND AS 19 Employee Benefits stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2016, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 4% real discount rate (31 December 2015: 4%) calculated by using 8% annual inflation rate and 12% discount rate. Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration as 2% for employees with 0-15 years of service, and 0% for those with 16 or more years of service. Employee termination benefit ceiling is revised semi-annually and the provision for employment termination benefits of the Company is calculated [INR 85263.7] that is effective as of 1 January 2017 (1 January 2016: INR92792.28).

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 15 – PROVISION FOR EMPLOYEE TERMINATION BENEFITS (continued)

The movements in the provision for employee termination benefits for the period ended 31 December 2016 and 2015 are follows:

Provision for employee termination benefit		
Particulars	**31-Dec-16**	**31-Dec-15**
Balance at January 1, 2016	491,53,165	199,19,060
Acturial gain or (Loss)		367,14,920
Add: Accruals in the year	185,43,856	55,20,075
Less: Payments in the year	250,61,081	148,27,179
Currency translation adjustment	12,43,610	374,15,469
Balance at December 31, 2016	**438,79,550**	**113,12,505**

NOTE 16 - SHARE CAPITAL

At 31 December 2016 and 2015, the Company's share capital and shareholding structure in terms of Indian Rupees is as follows:

Share Capital		
Particulars	**31-Dec-16**	**31-Dec-15**
Redington Turkey Holdings S.A.R.L	3045,20,778	4268,39,700
Public Quotation	3119,18,044	4372,08,276
Total	**6164,38,822**	**8640,47,976**

NOTE 17 - ASSETS HELD FOR SALE

Real Estate aquired in return for trade receivables		
Particulars	**31-Dec-16**	**31-Dec-15**
Real Estate aquired in return for trade receivables	30,90,643	29,52,598

(*) The real estate held for sale comprise of the buildings obtained in return of the Company's certain impaired receivables from customers.

NOTE 18 - NET SALES

The analysis of sales for the years ended 31 December 2016 and 2015 is as follows:

Revenue		
Particulars	**31-Dec-16**	**31-Dec-15**
Sales	325587,11,382	315204,00,689
Total	**325587,11,382**	**315204,00,689**

NOTE 19 - OPERATING EXPENSES AND OTHER OPERATING INCOME

The analysis of operating expenses for the years ended at 31 December 2016 and 2015 is as follows:

(Amounts expressed in Indian Rupees unless otherwise indicated.)

Employee Benefits expense		
Particulars	**31-Dec-16**	**31-Dec-15**
Salaries	5941,42,464	5590,68,100
Total	**5941,42,464**	**5590,68,100**

Other Expenses		
Particulars	**31-Dec-16**	**31-Dec-15**
Rent	957,42,736	925,57,543
Repairs and Maintenance	202,90,741	188,06,768
Sales Promotion Expenses	903,67,705	1001,31,600
Travelling Expenses	153,18,838	162,39,292
Professional Charges	314,43,930	346,60,938
Provision for Doubtful receivables	16,12,509	295,25,985
Miscellaneous Expenses	1877,22,950	1777,33,590
Total	**4424,99,408**	**4696,55,716**

The analysis of other operating income for the years ended at 31 December 2016 and 2015 is as follows:

NOTE 20 - FINANCIAL INCOME AND EXPENSES, NET

The analysis of financial income and expenses for years ended 31 December 2016 and 2015 is as follows:

Finance Cost		
Particulars	**31-Dec-16**	**31-Dec-15**
Interest Expenses	28,05,000.00	30,49,000.00
Other Borrowing costs	7,00,000.00	13,99,000.00
Total	**35,05,000.00**	**44,48,000.00**

NOTE 21 - COMMITMENTS AND CONTINGENT LIABILITIES

The commitments and contingencies, at 31 December 2016 and 2015, from which the management does not anticipate any significant losses or liabilities are summarized below:

Commitments and Contingent Liabilities		
Particular	**31-Dec-16**	**31-Dec-15**
Letter of Gurantees Given	168,73,000	152,87,000
Total	**168,73,000**	**152,87,000**

NOTE 22 - 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 2016 and 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. The Company secures a portion of its receivables through the use of factoring arrangements. The Company also obtains guarantees from its customers (Note 5) as another mean of securing its receivables.

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 22 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

ii) Credit risk (continued)

31-Dec-16	Receivables				
	Trade Receivables		Other Receivables		
	Related Party	Other Party	Related Party	Other Party	Bank Deposit
The maximum amount of exposure to credit risk at the end of the reporting period	799,47,725	83854,77,100	-	-	2045,90,100
- Total receivable that have been secured with collateral and other credit enhancement etc	-	35481,30,300	-	-	-
Financial assets that are neither past due nor Impaired	799,47,725	78113,07,075	-	-	2045,90,100
The amount of financial assets that are past due as at the end of the reporting period but not impaired	-	3141,53,125	-	-	-
-The amount that have been secured with collaterals, other credit enhancements etc	-	778,42,050	-	-	-
The amount of financial assets that are Impaired	-	-	-	-	-
- Past Due (Gross block Value)	-	3399,64,625	-	-	-
- The amount of Impairement	-	(3399,64,625)	-	-	-
-The amount that have been secured with collaterals, other credit enhancements etc	-	-	-	-	-

31-Dec-15	**Receivables**				
	Trade Receivables		**Other Receivables**		
	Related Party	**Other Party**	**Related Party**	**Other Party**	**Bank Deposit**
The maximum amount of exposure to credit risk at the end of the reporting period	859,35,345	69499,13,525	-	-	5383,03,235
- Total receivable that have been secured with collateral and other credit enhancement etc	-	41713,37,370	-	-	-
Financial assets that are neither past due nor Impaired	859,35,345	67587,91,730	-	-	5383,03,235
The amount of financial assets that are past due as at the end of the reporting period but not impaired	-	2770,57,140	-	-	-
The amount that have been secured with collaterals, other credit enhancements etc	-	1746,49,200	-	-	-
The amount of financial assets that are Impaired	-	-	-	-	-
- Past Due (Gross block Value)	-	3409,62,870	-	-	-
- The amount of Impairement	-	(3409,62,870)	-	-	-
-The amount that have been secured with collaterals, other credit enhancements etc	-	-	-	-	-

iii) Foreign currency risk

As disclosed in Note 2, 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 Company defines 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.

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.

Indian Rupees equivalent of assets and liabilities denominated in foreign currency held by the Company at 31 December 2016 and 2015 is as follows:

Foreign Currency Position	**31-Dec-16**	**31-Dec-15**
Assets	16910,60,800	17840,01,885
Liabilities	(16846,75,850)	(19392,67,670)
Derivative Transaction - forward contracts	(6552,04,550)	(5196,47,525)
Net foreign Currency Position	(6488,19,600)	(6749,13,310)

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. US Dollar equivalent of assets and liabilities denominated in Turkish Lira held by the Company at 31 December 2016 and 2015 is as follows:

Turkish Lira Position	**31-Dec-16**	**31-Dec-15**
Assets	16905,85,325	17834,72,645
Liabilities	(16460,26,525)	(19310,64,450)
Derivative Transaction - forward contracts	(6552,04,550)	(5196,47,525)
Net foreign Currency Position	(6106,45,750)	(6672,39,330)

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 22 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

iii) Foreign currency risk (continued)

Particulars	31-Dec-16		
	USD Equivalent	TL	EUR
1. Trade receivables	15822,44,950	55672,68,850	2,71,700
2. a. Monetary financial assets	613,36,275	2153,22,250	1,35,850
2. b. Non-monetary financial assets	-	-	-
3. Other	474,79,575	1668,91,725	67,925
4. Current assets	16910,60,800	59494,82,825	4,75,475
	-	-	-
5. Trade receivables	-	-	-
6. a. Monetary financial assets	-	-	-
6. b. Non-Monetary financial assets	-	-	-
7. Other	-	-	-
8. Non-current assets	-	-	-
9. Total Assets	16910,60,800	59494,82,825	4,75,475
	-	-	-
10. Trade payables	8413,19,050	28250,00,750	366,11,575
11. Financial liabilities	5330,75,400	18760,20,575	-
12. Other liabilities	3102,81,400	10916,90,600	67,925
13. Current liabilities	16846,75,850	57927,11,925	366,79,500
	-	-	-
14. Trade payables	-	-	-
15. Financial liabilities	-	-	-
16. a. Other monetary financial liabilities	-	-	-
16. b. Other non-monetary financial liabilities	-	-	-
17. Non-current liabilities	-	-	-
18. Total liabilities	16846,75,850	57927,11,925	366,79,500
	-	-	-
19. Net asset/liability position of off-balance sheet items	(6552,04,550)	(23041,51,850)	-
19.a. Total asset amount of hedging items	-	-	-
19.b. Total liability amount of hedging items	6552,04,550	23041,51,850	-
20. Net foreign currency position	(6488,19,600)	(21473,80,950)	(362,04,025)
21. Monetary items net foreign currency position	(410,94,625)	(101,20,825)	(362,71,950)
22. Fair value of financial instruments used in foreign currency hedging	76,75,525	271,02,075	-
23. Hedged foreign currency assets	-	-	-
24. Hedged foreign currency liabilities	-	-	-

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 22 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

iii) Foreign currency risk (continued)

Particular	31-Dec-15		
	USD Equivalent	TL	EUR
1. Trade receivables	17289,60,925	50257,95,350	3,96,930
2. a. Monetary financial assets	497,48,560	1444,82,520	66,155
2. b. Non-monetary financial assets	-	-	-
3. Other	52,92,400	154,14,115	-
4. Current assets	17840,01,885	51856,91,985	4,63,085
	-	-	-
5. Trade receivables	-	-	-
6. a. Monetary financial assets	-	-	-
6. b. Non-Monetary financial assets	-	-	-
7. Other	-	-	-
8. Non-current assets	-	-	-
9. Total Assets	17840,01,885	51856,91,985	4,63,085
	-	-	-
10. Trade payables	8599,48,845	24767,10,890	74,75,515
11. Financial liabilities	8817,79,995	25638,37,025	-
12. Other liabilities	1975,38,830	5742,91,555	-
13. Current liabilities	19392,67,670	56148,39,470	74,75,515
	-	-	-
14. Trade payables	-	-	-
15. Financial liabilities	-	-	-
16. a. Other monetary financial liabilities	-	-	-
16. b. Other non-monetary financial liabilities	-	-	-
17. Non-current liabilities	-	-	-
18. Total liabilities	-	-	-
	-	-	-
19. Net asset/liability position of off-balance sheet items	(5196,47,525)	(15478,28,535)	-
19.a. Total asset amount of hedging items	-	-	-
19.b. Total liability amount of hedging items	5196,47,525	15478,28,535	-
20. Net foreign currency position	(6749,13,310)	(19769,76,020)	(70,12,430)
21. Monetary items net foreign currency position	(1605,58,185)	(4445,61,600)	(70,12,430)
22. Fair value of financial instruments used in foreign currency hedging	(85,33,995)	(248,08,125)	-
23. Hedged foreign currency assets	-	-	-
24. Hedged foreign currency liabilities	-	-	-

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 22 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

iii) Foreign currency risk (continued)

Foreign currency sensitivity analysis as of 31 December 2016 and 2015 are as follows:

Particular	31-Dec-16	
	Profit/Loss	
	Appreciation of foreign currency	Depreciation of Foreign
In case 10% apprepriation of TL against USD		
1- TL net asset / Liability	(488,38,075)	488,38,075
2- Amount hedged for TL risk (-)	655,47,625	(655,47,625)
3-TL net effect (1+2)	167,09,550	(167,09,550)
In case 10% apprepriation of EUR against USD		
4- EUR net asset / Liability	(30,56,625)	30,56,625
5- Amount hedged for EUR risk (-)	-	-
6- EUR net effect (1+2)	(30,56,625)	30,56,625
TOTAL (3 + 6)	136,52,925	(136,52,925)

Particular	31-Dec-15	
	Profit/Loss	
	Appreciation of foreign currency	Foreign Currency
In case 10% apprepriation of TL against USD		
1- TL net asset / Liability	(543,79,410)	543,79,410
2- Amount hedged for TL risk (-)	519,97,830	(519,97,830)
3-TL net effect (1+2)	(23,81,580)	23,81,580
In case 10% apprepriation of EUR against USD		
4- EUR net asset / Liability	(6,61,550)	6,61,550
5- Amount hedged for EUR risk (-)	-	-
6- EUR net effect (1+2)	(6,61,550)	6,61,550
TOTAL (3 + 6)	(30,43,130)	30,43,130

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 22 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

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.

The liquidity risk of the Company as of 31 December 2016 and 2015 is as follows:

31-Dec-16

Non Derivative fianancial liabilities	Carrying Value	Cash out flows according to agreement (I+II)	Less than 3 months (I)	Between 3-12 months
Financial liabilities	26168,10,625	26763,80,850	11581,89,175	15181,91,675
Trade Payables	37155,65,425	37155,65,425	37155,65,425	-
Total	63323,76,050	63919,46,275	48737,54,600	15181,91,675

31-Dec-15

Non Derivative fianancial liabilities	Carrying Value	Cash out flows according to agreement (I+II)	Less than 3 months (I)	Between 3-12 months
Financial liabilities	26987,27,070	27235,35,195	20343,98,560	6891,36,635
Trade Payables	29779,67,325	29779,67,325	29779,67,325	-
Total	56766,94,395	57015,02,520	50123,65,885	6891,36,635

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 22 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

iv) ***Liquidity risk (continued)***

31-Dec-16

Derivative Financial Liabilities	Carrying Value	Cash out flows according to agreement (I+II)	Less than 3 months (I)	Between 3-12 months
Cash Inflows	76,75,525	6552,04,550	4586,97,525	-
Cash Outflows	-	(6547,29,075)	-	-
Total	76,75,525	4,75,475	4586,97,525	-

31-Dec-15

Derivative Financial Liabilities	Carrying Value	Cash out flows according to agreement (I+II)	Less than 3 months (I)	Between 3-12 months
Cash Inflows	(85,33,995)	5196,47,525	3182,05,550	2014,41,975
Cash Outflows	-	(5323,49,285)	(3232,99,485)	(2090,49,800)
Total	(85,33,995)	(127,01,760)	(50,93,935)	(76,07,825)

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 22 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

iv) ***Liquidity risk (continued)***

As of 31 December 2016 and 2015 the details of the forward agreements are provided in the table below:

31-Dec-16	Avarage agreement exchange rate	Sales with Original Currency	Purchase with Original Currency	Original Currency (TL Equivalent)	Agreement value (TL equivalent)	Fair Value (TL Equivalent)
Forward Agreements						
Less than 3 months						
USD purchase / TL Sales	23969,37,400	16049,99,825	4586,97,525	16049,99,825	15838,07,225	211,92,600
3-12 Months						
USD purchase / TL Sales	23082,95,275	6991,52,025	1965,07,025	6991,52,025	6933,10,475	59,09,475
Total				23041,51,850	22771,17,700	271,02,075

31-Dec-15	Avarage agreement exchange rate	Sales with Original Currency	Purchase with Original Currency	Original Currency (TL Equivalent)	Agreement value (TL equivalent)	Fair Value (TL Equivalent)
Forward Agreements						
Less than 3 months						
USD purchase / TL Sales	19589,81,860	9400,62,550	3182,05,550	9400,62,550	9481,33,460	(80,70,910)
3-12 Months						
USD purchase / TL Sales	19971,53,295	6077,65,985	2014,41,975	6077,65,985	6245,03,200	(167,37,215)
Total				15478,28,535	15726,36,660	(248,08,125)

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 22 - FINANCIAL RISK MANAGEMENT (continued)

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.

Consistent with others in the industry, the Company monitors capital on the basis of the net financial debt over total equity ratio. This ratio is calculated as net financial debt divided by total capital. Total capital is calculated as equity, as shown in the balance sheet, plus net debt. The net financial debt over total equity ratios at 31 December 2016 and 2015 were as follows:

Particular	31-Dec-16	31-Dec-15
Total Financial Debt	26168,10,625	26987,27,070
Less Cash and Cash Equivalent	(2571,64,050)	(5818,99,380)
Net Debt	23596,46,575	21168,27,690
Total Equity	47177,30,875	43958,01,285
Net Debt/ Total Equity	50%	48%

The Company's strategy is to maintain a net financial debt over total equity ratio not higher than 65 %.

NOTE 23 – FINANCIAL INSTRUMENTS

Categories of financial instruments and fair values

31-Dec-16	Loans and receivables	Financial assets/ Liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Carrying value	Fair Value
Financial Assets					
Cash and Cash Equivalents	2571,64,050	-	-	2571,64,050	2571,64,050
Account Receivable	84654,24,825	-	-	84654,24,825	84654,24,825
Derivative Financial Instruments	-	76,75,525	-	76,75,525	76,75,525
Financial Liabilities	-	-	-	-	-
Bank Borrowings	-	-	26168,10,625	26168,10,625	26168,10,625
Trade Payables	-	-	37155,65,425	37155,65,425	37155,65,425

(Amounts expressed in Indian Rupees unless otherwise indicated.)

NOTE 23 – FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments and fair values (continued)

31-Dec-15	Loans and receivables	Financial assets/ Liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Carrying value	Fair Value
Financial Assets					
Cash and Cash Equivalents	5818,99,380	-	-	5818,99,380	5818,99,380
Account Receivable	70358,48,870	-	-	70358,48,870	70358,48,870
Financial Liabilities	-	-	-	-	-
Bank Borrowings	-	-	26987,27,070	26987,27,070	26987,27,070
Trade Payables	-	-	29779,67,325	29779,67,325	29779,67,325
Derivative Financial Instruments	-	85,33,995	-	85,33,995	85,33,995

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined and grouped as follows:

• Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

• Level 2: the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

• Level 3: the fair value of the financial assets and financial liabilities where there is no observable market data. The fair value of derivative instruments, are calculated using quoted prices. Where such prices are not available, estimate is made based on discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial Assets/Financial Liabilities	Fair Value as at (TL)		Fair value hierarchy	Valuation technique(s) and key	Significant unobservable inputs (s)	Relationship of unobservable inputs to fair value
	31-Dec-16	31-Dec-15				
Foreign Currency forward contracts	270894,40,950	(248063,38,815)	Level 2	Observable market Place	-	-

NOTE 24 – SUBSEQUENT EVENTS

None.

INDEPENDENT AUDITOR'S REPORT

To the Partners of ARENA INTERNATIONAL FZE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ARENA INTERNATIONAL FZE** (the "Establishment"), which comprise the statement of financial position as at 31 December 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Establishment as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IND AS s).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IND AS s, and for their compliance with the applicable provisions of the Implementing Regulation No. 1/92 issued by the Jebel Ali Free Zone Authority pursuant to Law No. 9 of 1992, 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.

In preparing the financial statements, management is responsible for assessing the Establishment's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Establishment's financial reporting process.

continued…

INDEPENDENT AUDITOR'S REPORT
(continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Establishment's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Establishment to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

continued…

INDEPENDENT AUDITOR'S REPORT
(continued)

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
United Arab Emirates
23 April 2017

ARENA INTERNATIONAL FZE

AS AT 31 DECEMBER 2016(All amounts in Inr)

Statement of financial position as at December 2016

Particulars	Note	As at December 31, 2016	As at December 31, 2015
Assets			
Current Assets			
Trade receivables	6	10784,29,453	7118,00,135
Cash and bank balances	9	92,87,377	144,54,286
Other financial assets	8	4369,62,981	7170,90,266
Other Current Assets	6	57,51,408	201,31,488
Total Current assets		**15304,31,219**	**14634,76,175**
Total Assets		**15304,31,219**	**14634,76,175**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital	**10**	184,92,500	180,10,000
Other Equity			
Other reserves		(1614,63,650)	1625,93,331
Retained earnings		2658,95,809	49,85,217
Equity attributable to the owners of the Company		**1229,24,659**	**1855,88,548**
Non-Controlling interests		-	-
Total Equity		**1229,24,659**	**1855,88,548**
Current Liabilities			
Financial Liabilities			
Trade and other payables	11	14026,24,688	12523,55,319
Other Current Liablities	11	48,81,872	255,32,309
Total Current Liabilities		**14075,06,560**	**12778,87,627**
Total Equity and Liabilities		**15304,31,219**	**14634,76,175**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Authorised for issue by the shareholder on 16 April 2017.

For **ARENA INTERNATIONAL FZE**

DIRECTORS

ARENA INTERNATIONAL FZE

AS AT 31 DECEMBER 2016(All amounts in Inr)

Profit and loss account

Particulars	Note No.	Period ended December 31,2016	Period ended December 31,2015
Comprehensive Income:			
(a).Revenue from operations		95211,16,891	92150,92,415
(b)Other gain / (losses)	14	220,13,222	341,90,423
(c).Total Revenue(a+b)		**95431,30,113**	**92492,82,839**
Cost of Materials consumed			
d.Expenses			
Purchase of traded goods		94079,87,691	90837,80,063
Finance Costs	17	11,32,626	12,32,875
Other Expenses	15	307,05,616	16,76,570
Total Expenses(d)		**94398,25,933**	**90866,89,508**
Profit before Corporate social responsibility expenditure and Tax		**1033,04,180**	**1625,93,331**
Profit before exceptional items and tax		**1033,04,180**	**1625,93,331**
e.Profit before tax (c-d)		**1033,04,180**	**1625,93,331**
h.Profit for the Year (e-f-g)		**1033,04,180**	**1625,93,331**
Total Comprehensive Income for the Year attributable to (h+k)		1033,04,180	1625,93,331
Profit for the year attributable to the :-			
Shareholders of the Company		1033,04,180	1625,93,331
Non-Controlling Interests		-	-
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		1033,04,180	1625,93,331

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

ARENA INTERNATIONAL FZE

AS AT 31 DECEMBER 2016(All amounts in Inr)

Statement of Changes in Equity

Particulars	Share capital	Retained earnings	Foreign currency transalation reserve	Total Equity
As at January 2016	180,10,000	1625,93,331	49,85,217	1855,88,548
Profit for the year		1033,04,180		1033,04,180
Dividend paid		(1,702)		(1,702)
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	(1659,66,366)	(1659,66,366)
Deduction				-
Balance as at December 2016	184,92,500	2658,95,809	(1609,81,150)	1229,24,659

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

ARENA INTERNATIONAL FZE

AS AT 31 DECEMBER 2016(All amounts in Inr)

Cash Flow Statement

Particulars	31-Dec-16	31-Dec-15
Profit before income tax	1033,04,179.87	1625,93,330.85
Adjustments for		
Interest Income	(220,13,221.93)	(294,41,382.67)
Finance Cost	11,32,626.03	12,32,874.82
Change in Working capital		
Decrease/(increase) in trade and other receivables	(74,16,723.77)	384,49,494.80
Trade and other payables	943,61,792.69	(3574,53,381.04)
Cash flow from operating activity	**1693,68,652.89**	**(1846,19,063.24)**
Interest Paid	(11,32,626.03)	(12,32,874.82)
Net cash flow from operating activity	**1682,36,027**	**(1858,51,938)**
Cash flow from investing activity		
Payments to Related Party	(3676,36,072.89)	(2812,50,253.60)
Decrease in Other current financial Assets	3359,31,343.75	-
Interest Received	281,89,693.58	300,12,209.82
Net cash in investing activity	**(35,15,035.57)**	**(2512,38,043.78)**
Cash flow from financing activity		
Dividends Paid	(1702,15,648.09)	(935,33,764.95)
Net cashflow from financing activity	**(1702,15,648.09)**	**(935,33,764.95)**
Net increase in cash and cash equivalents	(43,62,030.76)	(5293,90,871.97)
Cash and Cash equivalents at the beginning of the year	144,54,285.70	5303,06,011.57
Currency transalation asjustment	(8,04,877.62)	135,39,146.10
Cash and Cash equivalents at the end of the year	**92,87,377.32**	**144,54,285.70**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

ARENA INTERNATIONAL FZE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016(All amounts in Inr)

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **ARENA INTERNATIONAL FZE** (the "Establishment") 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 the 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 since then.

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 Sanayi 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 1 January 2016, and the requirements of Implementing Regulation No. 1/92 issued by the Jebel Ali Free Zone Authority pursuant to Law No. 9 of 1992.

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) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing financial statements, management makes an assessment of the Establishment's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Establishment or to cease trading, or has no realistic alternative but to do so.

d) **Adoption of new International Financial Reporting Standards**

Standards and interpretations effective for the current year

The 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:

- Amendments to IND AS 1 Disclosure Initiative

  The amendments to IND AS 1 Presentation of Financial Statements clarify existing IND AS 1 requirements in relation to:

  - The materiality requirements in IND AS 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.

New and revised IND AS s 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.

- Ind AS 109: Financial instruments (1 January 2018)

  Ind AS 109 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 Ind AS 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.

- Ind AS 115: Revenue from Contracts with Customers (1 January 2018)

  The International Accounting Standard Board (IASB) has published its new revenue Standard, Ind AS 115 'Revenue from Contracts with Customers'. Ind AS 15 specifies how and when an Ind AS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes Ind AS 118 'Revenue', Ind AS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all Ind AS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

- Ind AS 17: Leases (1 January 2019)

  Ind AS 17 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.

e) **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. However, the financial statements are presented in the Indian Rupees (INR),

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) method and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling prices 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 an executed sales agreement, that significant risks and rewards of ownership have been transferred to the buyer.

c) ***Interest income***

Interest income is recognised on accrual basis using the effective interest method, when it is probable that the economic benefits will flow to the establishment and the interest can be measured reliably.

d) **Leases**

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to profit or loss on a straight-line basis over the period of the lease.

e) **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.

f) **Provisions**

A provision is recognised 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 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 flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

g) **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.

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.

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.

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.

h) **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 or
- 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:

Impairment of loans and 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 the 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

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.

Trade and other receivable		
Particulars	**31-Dec-16**	**31-Dec-15**
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	8,91,283	242,97,165
(c) Receivables from releted parties		
Redington Gulf FZE U.A.E	8212,08,412	4789,32,582
Ensure Services Limited	2563,29,757	2085,70,388
Total Trade and other receivable	**10784,29,453**	**7118,00,135**

At the reporting date, trade receivables not past due and not impaired are INR 8,91,283 (previous year INR 242,97,165).

ARENA INTERNATIONAL FZE

As at the reporting date there are no trade receivables that are past due and not impaired and 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).

Other current assets		
Particulars	**31-Dec-16**	**31-Dec-15**
Prepayments	-	1,91,807
Others	57,51,408	199,39,681
Total	**57,51,408**	**201,31,488**

7. **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 are at prices determined by the management.

Related parties comprise the parent Establishment, fellow subsidiaries, key management personnel and board members.

At the reporting date significant balances with related parties were as follows:

Due to Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Parent	8212,08,412	4789,32,582
Fellow subsidiaries	2563,29,757	2085,70,388
Total	**8212,08,412**	**4789,32,582**

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 18.

Significant transactions with related parties during the year were as follows:

Sale to Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Parent	85953,75,303	84470,22,681
Fellow Suubsidiaries	4880,27,024	5911,45,004
Total	**90834,02,327**	**90381,67,684**

Staff services and other administrative services are availed from a related party free of cost.

8. Other financial Assets

Other financial assets (current)		
Particulars	**31-Dec-16**	**31-Dec-15**
Advances to suppliers and others	973,94,450	556,73,016
Deposits	3395,68,531	6614,17,250
Total	**4369,62,981**	**7170,90,266**

9. Cash and Cash Equivalent

Cash and Cash Equivalents		
Particulars	**31-Dec-16**	**31-Dec-15**
(i) In deposit accounts	92,87,377	144,54,286
Total	**92,87,377**	**144,54,286**

ARENA INTERNATIONAL FZE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016(All amounts in Inr)

10. **Share Capital**

Share Capital		
Particulars	**31-Dec-16**	**31-Dec-15**
Arena Bilgisayar Sanayi ve Ticaret A.S.	184,92,500	180,10,000
Total	**184,92,500.00**	**180,10,000.00**

11. **Trade and Other Payable**

Trade and other payables		
Particulars	**31-Dec-16**	**31-Dec-15**
Trade Payables	14026,24,688	12523,55,319
Total Trade Payables	**1402624688**	**1252355319**

Other Current Liability

Other Current liablities		
Particulars	**31-Dec-16**	**31-Dec-15**
Advances/Deposit received from customers	9,74,684	172,59,703
Other Liabilities	39,07,188	82,72,605
Total	**48,81,872**	**255,32,309**

The entire trade and other payables are due for settlement within one year from the reporting date.

12. **DIVIDENDS**

Dividends paid and approved by the directors during the year of INR 17,02,15,648 (previous year INR 935,33,765) represent a dividend per share of INR 1702,15,648 (previous year INR 935,33,765).

13. **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 parties. 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 provisions of Implementing Regulations No.1/92 issued by the Jebel Ali Free Zone Authority pursuant to Law No. 9 of 1992. The establishment has complied with all the capital requirements to which it is subject.

Funds generated from internal accruals net of funds provided to related parties and net of dividends declared are retained in the business, according to the business requirements and to maintain capital at desired levels.

14. Other Income

Other income		
Particulars	**31-Dec-16**	**31-Dec-15**
Interest Income bank deposits	220,13,222	294,41,383
Exchange gain/(Loss) Net	-	47,49,041
Total	**220,13,222**	**341,90,423**

15. Other expenses

Other Expenses		
Particulars	**31-Dec-16**	**31-Dec-15**
Auditor's Remuneration(including remuneration to Subsidiarie's auditors)	20,83,552	16,76,570
Exchange Loss Net	286,22,064	-
Total	**307,05,616**	**16,76,570**

16. Finance Cost

Finance Cost		
Particulars	**31-Dec-16**	**31-Dec-15**
Interest Expenses	11,32,626	12,32,875
Total	**11,32,626**	**12,32,875**

18. **FINANCIAL INSTRUMENTS**

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

Financial Instruments	**Loans and Advances**		**At Amortised Cost**	
Particular	**2016**	**2015**	**2016**	**2015**
Trade and other receivables	66,42,691	442,36,846		
Amounts due from related parties	10775,38,170	6875,02,970		
Other current financial assets	3395,68,531	6614,17,250		
Cash and cash equivalents	92,87,377	144,54,286		
Trade and other payables	-	-	14065,31,876	12606,27,924
Total	**14330,36,769**	**14076,11,352**	**14065,31,876**	**12606,27,924**

Management of risks

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, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks and fair value interest rate risks).
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.

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.

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 amounts due from related parties.

The establishment's bank accounts are placed with high credit quality financial institutions.

Amount due from related parties and trade and other receivables are stated net of allowances for doubtful debts. At the reporting date the establishment's maximum exposure to credit risk from such receivables situated outside UAE is as follows:

Particular	2016(INR)	2015(INR)
Trade and other receivables	66,42,654	442,36,846
Amounts due from related parties	10775,38,170	6875,02,970
Other current financial assets	3395,68,531	6614,17,250
Time and demand deposits	92,87,377	144,54,286
Total	**14330,36,732**	**14076,11,352**

At the reporting date 100% of trade receivables were due from two customers (previous year 93% due from one customer) situated in Turkey and engaged in similar business.

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 US Dollars to which the Dirham 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 are subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk.

ARENA INTERNATIONAL FZE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016(All amounts in Inr)

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.

	2016	2015
	INR	INR
19.**CONTINGENT LIABILITIES**		
Banker's letter of guarantee	1343,72,538	--

These represent guarantees given on behalf of related party.

For **ARENA INTERNATIONAL FZE**

DIRECTOR

Redington Bangladesh Limited

Auditor's Report and Financial Statements
for the year ended 31 March 2017

May 2017

S. F. AHMED & CO.
Chartered Accountants ….since 1958
Member Firm of HLB International

House # 51 (2nd Floor), Road # 09, Block- F, Banani, Dhaka-1213, Bangladesh.
Phones: (880-2) 9894026, 9894346 & 9870957
Fax: (880-2) 55042314
E-mails: (i) sfali@connectbd.com (ii) sfaco@dhaka.net

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9894026, 09610998048
Fax: (880-2) 55042314
E-mails: sfaco@dhaka.net
sfali@connectbd.com
ahmeds@bol-online.com

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, 2017 and the Statement of Profit or Loss and Other 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 2017, 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.

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 Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account and returns.

S. F. AHMED & CO.

Dated, Dhaka;
11 May 2017

S. F. Ahmed & Co.
Chartered Accountants

REDINGTON BANGLADESH LIMITED
Statement of Financial Position
as at 31 March 2017(IN Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	4	5,41,908	5,07,368
Total Non Current Assets		**5,41,908**	**5,07,368**
Current Assets			
Trade receivables	6	11,81,830	3,91,314
Cash and bank balances	6	13,61,549	9,96,652
Other financial assets	5	88,951	93,170
Other Current Assets	7	57,51,225	49,60,466
Total Current assets		**83,83,554**	**64,41,602**
Total Assets		**89,25,463**	**69,48,970**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital	3	24,25,926	25,41,000
Other Equity			
Other reserves		13,70,359	63,783
Retained earnings		4,09,035	14,57,408
Equity attributable to the owners of the Company		**42,05,319**	**40,62,192**
Non-Controlling interests		-	-
Total Equity		**42,05,319**	**40,62,192**
Current Liabilities			
Financial Liabilities			
Current tax liabilities (net payables)		2,82,133	2,78,150
Other Current Liablities		44,38,011	26,08,629
Total Current Liabilities		**47,20,143**	**28,86,778**
Total Equity and Liabilities		**89,25,463**	**69,48,970**

Director **Director**

Signed in terms of our separate report of even date annexed.

S. F. Ahmed & Co.

Dated, Dhaka;
11 May 2017

S. F. Ahmed & Co.
Chartered Accountants

REDINGTON BANGLADESH LIMITED

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2017(IN Indian Rupees)

Particulars	**Note No.**	**Period ended March 31, 2017**	**Period ended March 31, 2016**
Comprehensive Income:			
(a).Revenue from operations		132,64,498	92,26,242
(b)Other gain / (losses)		50,000	88,833
(c).Total Revenue(a+b)		**133,14,498**	**93,15,074**
d.Expenses			
Employee Benefits		81,96,274	64,46,426
Depreciation & Amortisation		1,45,045	82,540
Other Expenses		46,10,428	26,90,809
Total Expenses(d)		**129,51,746**	**92,19,776**
Profit before Corporate social responsibility expenditure and Tax		**3,62,751**	**95,299**
Profit before exceptional items and tax		**3,62,751**	**95,299**
e.Profit before tax (c-d)		**3,62,751**	**95,299**
Income Tax expense:			
Current tax		(17,500)	(31,516)
Profit for the Year		**3,45,251**	**63,783**
Total Comprehensive Income for the Year attributable to (h+k)		3,45,251	63,783
Profit for the year attributable to the :-			
Shareholders of the Company		3,45,251	63,783
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		3,45,251	63,783

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.

Director **Director**

Signed in terms of our separate report of even date annexed.

S. F. Ahmed & Co.

Dated, Dhaka;
11 May 2017

S. F. Ahmed & Co.
Chartered Accountants

REDINGTON BANGLADESH LIMITED
Statement of Changes in Equity
for the year ended 31 March 2017(IN Indian Rupees)

Particulars	Share capital	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	25,41,000	63,783	14,57,408	40,62,192
Profit for the year		3,45,251		3,45,251
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	(2,02,124)	(2,02,124)
Deduction				-
Balance as at March 31, 2017	24,25,926	4,09,035	12,55,284	42,05,319

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.

Director **Director**

Signed in terms of our separate report of even date annexed.

S. F. AHMED & CO.

S. F. Ahmed & Co.

Dated, Dhaka;
11 May 2017

S. F. Ahmed & Co.
Chartered Accountants

REDINGTON BANGLADESH LIMITED

Statement of Cash Flow

for the year ended 31 March 2017

(IN Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	3,62,751.38	95,298.93
Adjustments for		
Depreciation	1,45,044.90	82,539.90
Gain on disposal of Assets	84,873.98	-
Change in Working capital		
(Increase)/Decrease in trade receivables	(8,53,109.90)	10,35,224.75
(Increase)/Decrease in Other Current Assets	(10,54,277.82)	(9,16,923.85)
Increase/ (Decrease) in Other Current Liabilities	20,55,642.34	6,00,401.37
Net cash flow from operating activity	**7,40,924.88**	**8,96,541.11**
Interest Income		
Cash flow from investing activity		
Capital expenditure	(2,90,629.23)	(2,37,349.92)
Net cash in investing activity	(2,90,629.23)	(2,37,349.92)
Cash flow from financing activity		
Increase in bank borrowings	-	-
Loan To Employee	-	(9,05,787.69)
Net cashflow from financing activity	-	**(9,05,787.69)**
Net increase in cash and cash equivalents	4,50,295.65	(2,46,596.51)
Cash and Cash equivalents at the beginning of the year	9,96,652.20	4,26,482.93
Currency transalation asjustment	(85,399.34)	8,16,765.77
Cash and Cash equivalents at the end of the year	**13,61,548.50**	**9,96,652.20**

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.

Director **Director**

Signed in terms of our separate report of even date annexed.

S. F. Ahmed & Co.

Dated, Dhaka; **S. F. Ahmed & Co.**

11 May 2017 Chartered Accountants

REDINGTON BANGLADESH LIMITED
Notes to the Financial Statements
For the year ended 31 March 2017

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 Ahmed Tower (15^{th} Floor), 28/30, Kemal Ataturk Avenue, Banani, 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.

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 BAS- 7 "Cash Flows Statement" under direct method.

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 therefrom 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 Indian Rupees at the exchange rates prevailing on the respective dates of transactions.

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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 2017.

(ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2017.

(iii) Statement of Changes in Equity for the year ended 31 March 2017.

(iv) Statement of Cash Flows for the year ended 31 March 2017.

(v) Notes to the Financial Statements for the year ended 31 March 2017.

2.8 Presentation currency

The financial statements are presented in the Indian Rupees (INR).

3. Share Capital

		Amount in INR	
		2017	**2016**
3.1	**Authorized**		
	1,000 ordinary shares of Indian Rupees 10,000 each	80,86,420	84,70,000
3.2	**Issued, subscribed and paid up**		
	300 ordinary shares of Indian Rupees 10,000 each	24,25,926	25,41,000
3.3	**Shareholders' position**		
	Redington Distribution Private Ltd. (incorporated in Singapore)	240	252
	Redington Gulf FZE (incorporated in UAE)	2	3
		242	**255**

4. Fixed assets

				Amount in Lakhs
Description	**Furniture & Fixtures**	**Office Equipments**	**Computers**	**Total**
Cost				
As at 01.04.16	423,500	116,005	805,277	1,344,782
Additions	-	-	290,629	290,629
Disposal	-	-	94,743	94,743
Translation adjustments	(19,179)	(5,254)	(46,772)	(71,204)
As at 31.03.17	**404,321**	**110,752**	**954,392**	**1,469,464**
Accumulated Depreciations				
As at 01.04.16	309,789	97,292	430,334	837,414
Additions	11,459	3,772	129,814	145,045
Disposals	-	-	9,869	9,869
Translation adjustments	(14,632)	(4,604)	(25,797)	(45,034)
As at 31.03.17	**306,615**	**96,459**	**524,482**	**927,556**
Carrying Amount				
As at 01.04.16	**113,711**	**18,714**	**374,943**	**507,368**
As at 31.03.17	**97,706**	**14,293**	**429,910**	**541,908**

5. **Other Financial Assets**

Particulars	31-Mar-17	31-Mar-16
Deposits	88,950.62	93,170.00
Total	**88,950.62**	**93,170.00**

6. **Trade Receivable**:

Trade and other receivable		
Particulars	**31-Mar-17**	**31-Mar-16**
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	11,81,830	3,91,314
Total Trade and other receivable	**11,81,830**	**3,91,314**

Cash and Cash Balance:

Particulars	31-Mar-17	31-Mar-16
(a) Balances with banks		
(i) In current accounts	13,61,548	9,96,652
Total	**13,61,548**	**9,96,652**

7 **Other Current Assets:**

Particulars	31-Mar-17	31-Mar-16
Interest accrued but not due on bank deposits	3,400	2,980
Deposits	37,66,191	39,00,709
Advance income tax (net off provisions)	(1,41,866)	(1,36,132)
Advances to Employees	1,37,469	9,14,760
Prepayments	17,03,898	-
Total	**54,69,093**	**46,82,316**

8. Other Current Liability:

Particulars	31-Mar-17	31-Mar-16
Provision For Expenses	54,14,956	29,69,757
Other Liabilities	73,271	1,10,088
Total	**54,88,227**	**30,79,845**

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11. Provision Made During the year

Particular	31-Mar-17	31-Mar-16
Salary-March, 2017	5,96,381	4,46,359
Vehicle rent-March, 2017	27,313	26,838
Audit fees	4,41,705	3,32,751
Bonus	17,89,781	13,56,585
Utilities	12,803	11,322
Professional fees	8,43,721	57,870
VAT payable	3,89,084	2,58,987
License & Renewal	98,071	-

12. Revenue From Operation

Fee Income from Redington Distribution Pte. Ltd. (Note 12.1)	1,32,64,498	92,26,242
Total:	**1,32,64,498**	**92,26,242**

12.1 Fees income represents the income of Redington Bangladesh Limited against the services rendered on behalf of Redington Distribution Pte. Ltd.

13. Other Income:

Particulars	31-Mar-17	31-Mar-16
Interest Income bank deposits	50,000	88,833

14. Employee Benefit Expenses:

Particulars	31-Mar-17	31-Mar-16
Salaries	62,07,793	44,92,685
Bonus	17,89,781	17,15,216
Welfare Expenses	1,98,700	2,38,526
Total	**81,96,274**	**64,46,426**

14a. Other Expenses:

Particulars	31-Mar-17	31-Mar-16
Advertisement Expenses	-	7,884
Rent	9,44,660	7,59,734
Repairs and Maintenance	6,871	-
Utilities	1,42,189	1,31,630
Fuel Expenses	1,03,744	73,731
Communication	3,91,120	2,95,564
Sales promotion expense	1,38,892	-
Travel	10,97,683	6,11,317
Professional Charges	8,43,721	57,870
Auditor's Remuneration(including remuneration to Subsidiarie's auditors)	4,41,705	3,32,751
Bank Charges	2,561	14,283
Loss on Sale of Fixed assets	84,874	-
Postage	35,521	1,00,235
Printing and Stationary	1,22,789	1,62,563
Licence Fee	1,16,721	-
Medical Bill	63,324	55,621
Miscellaneous Expenses	74,054	87,627
Total	**46,10,428**	**26,90,809**

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15. General

i) Figures shown in the accounts have been rounded off to the nearest Indian Rupees;

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.

Director **Director**

S. F. AHMED & CO.

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

Statement Of Financial Position
As at 31-March-2017(In Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	4	34,47,136	48,21,183
Other Intangible assets(Software)	5	78,408	1,32,739
Deferred Tax Assets (Net)		1,39,836	28,29,856
Total Non Current Assets		**36,65,380**	**77,83,779**
Current Assets			
Inventories	6	1107,07,056	786,22,484
Financial assets			
Trade receivables	7	2961,60,826	2219,11,435
Cash and bank balances	8	267,00,773	130,87,995
Other financial assets	9	32,19,931	45,99,095
Other Current Assets	10	10,08,025	4,95,257
Total Current assets		**4377,96,611**	**3187,16,266**
Total Assets		**4414,61,991**	**3265,00,045**
Shareholders' funds(Refer SOCE)			
Equity Share Capital		121,54,858	129,63,408
Other Equity		331,36,315	194,44,809
Share premium		35,453	35,374
Other reserves		(120,62,007)	(128,84,847)
Retained earnings		2,03,373	1,70,046
Equity attributable to the owners of the Company		**452,91,173**	**324,08,216**
Non-Controlling interests		-	-
Total Equity		**452,91,173**	**324,08,216**
Non-Current Liabilities			
Provisions	11	25,21,226	20,19,653
Total Non-current Liabilities		**25,21,226**	**20,19,653**
Current Liabilities			
Financial Liabilities			
Trade and other payables	12	1683,22,151	645,41,702
Other financial Liablities	13	15,35,406	
Other Current Liablities	14	2237,92,035	2275,30,473
Total Current Liabilities		**3936,49,592**	**2920,72,175**
Total Equity and Liabilities		**4414,61,991**	**3265,00,045**

Statement of Comprehensive and Other Comprehensive Income
As on 31-March-2017(In Indian Rupees)

Particulars	Note No.	Period ended March 31, 2017	Period ended March 31, 2016
Comprehensive Income:			
(a).Revenue from operations	15	14570,49,162	12015,39,025
(b) Other income	16	38,33,955	122,52,933
(c).Total Revenue(a+b)		**14608,83,117**	**12137,91,958**
d.Expenses			
Purchase of traded goods		13853,54,183	11050,07,977
Changes in inventories		(320,84,572)	335,20,533
Employee Benefits	17	249,29,964	251,42,776
Finance Costs	18	47,42,272	36,83,953
Depreciation & Amortisation		14,98,434	10,91,652
Other Expenses	19	512,79,831	441,42,005
Total Expenses(d)		**14357,20,112**	**12125,88,895**
Profit before Corporate social responsibility expenditure and Tax		**251,63,006**	**12,03,063**
Profit before exceptional items and tax		**251,63,006**	
e.Profit before tax (c-d)		**251,63,006**	**12,03,063**
Income Tax expense:			
Current tax		(92,86,165)	30,92,155
h.Profit for the Year (e-f-g)		**158,76,840**	**42,95,219**
Total Comprehensive Income for the Year attributable to (h+k)		158,76,840	42,95,219
Profit for the year attributable to the :-			
Shareholders of the Company		158,76,840	42,95,219
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		158,76,840	42,95,219

Statement of Changes in Equity
As on 31- March-2017(In Indian Rupees)

Particulars	Share capital	Retained earnings	Foreign currency transalation reserve	Total Equity
Balance as per perious balance sheet	129,63,408	42,95,219	151,49,590	324,08,216
Profit for the year		158,76,840		158,76,840
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment	(8,08,550)			(8,08,550)
Additions during the year			(21,85,334)	(21,85,334)
Balance as at March 31,2017	121,54,858	201,72,059	151,49,590	452,91,173

Cash Flow Statement
As at 31-March-2017(In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	251,63,006	12,03,063
Adjustments for		
Interest expense	47,42,272	36,83,953
Depreciation	14,98,434	10,91,652
Change in Working capital		
Change in recievables	(974,77,446)	(1390,95,947)
Inventories	(411,54,253)	414,76,040
Other assets	2,87,777	(17,50,110)
Trade payables	1157,61,865	355,17,407
Other liabilities	102,13,761	546,06,551
Taxes paid	(71,87,770)	(12,46,250)
Net cash flow from operating activity	**118,47,646**	**(45,13,641)**
Cash flow from investing activity		
Capital expenditure	(1,36,569)	(47,94,394)
Dividend paid	-	-
Net cash in investing activity	(1,36,569)	(47,94,394)
Cash flow from financing activity		
Interest expense	(38,59,266)	(24,21,302)
Net cashflow from financing activity	**(38,59,266)**	**(24,21,302)**
Net increase in cash and cash equivalents	78,51,810	(117,29,338)
Cash and Cash equivalents at the beginning of the year	130,87,995	319,20,108
Currency transalation asjustment	57,60,967	(71,02,775)
Cash and Cash equivalents at the end of the year	**267,00,773**	**130,87,995**

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

Financials are presented in Indian Rupees (INR)

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.

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. Property Plant and Equipment

Description	Furniture & Fixtures	Computers	Vehicles	Total
Cost				
As at 01.04.16	85,19,899	58,81,517	9,03,025	153,04,441
Additions	5,480	7,24,502		7,29,982
Assets of Subsidiaries acquired	-	-	-	-
Disposal		(66,740)	(9,03,025)	(9,69,765)
Translation adjustments				-
As at 31.03.17	**85,25,379**	**65,39,279**	**-**	**150,64,658**
Accumulated Depreciations				
As at 01.04.16	10,31,731	28,22,375	8,72,925	47,27,031
Additions	20,69,630	10,83,911	30,100	31,83,641
Assets of subsidiaries acquired				-
Disposals		(8,898)	(9,03,025)	(9,11,923)
Disposal of Assets of EA				-
Translation adjustments				-
As at 31.03.17	**31,01,361**	**38,97,388**	**-**	**69,98,749**
Carrying Amount				
As at 01.04.16	**74,88,168**	**30,59,142**	**30,100**	**105,77,410**
As at 31.03.17	**54,24,018**	**26,41,891**	**-**	**80,65,909**

5. Intangible Assets

Particulars	Software	Total
Cost		
As at 01.04.16	42,00,478	42,00,478
Additions		-
Assets acquired on acquisition	-	-
Disposals	-	-
Disposal of Assets of EA		-
Translation adjustment		
As at 31.03.17	**42,00,478**	**42,00,478**
Accumulated Depreciation		
As at 01.04.16	39,09,255	39,09,255
Additions	1,07,756	1,07,756
Disposals	-	-
Translation adjustment		
As at 31.03.17	**40,17,011**	**40,17,011**
Carrying Amount		
As at 01.04.16	**2,91,223**	**2,91,223**
As at 31.03.17	**1,83,467**	**1,83,467**

6. **Inventories**

Particulars	31-Mar-17	31-Mar-16
(a) Trading Stocks	926,97,396	786,22,484
(b) Goods In Transist	180,09,660	-
Total	**1107,07,056**	**786,22,484**

7. **Trade and Other Receivables**

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	3115,33,380	2336,71,019
Less:Allowance for doubtful debts	(157,56,556)	(131,61,323)
(b) Other Trade receivables	-	-
Considered good	3,84,002	14,01,739
Total Trade and other receivable	**2961,60,826**	**2219,11,435**

8. **Cash and Bank balance**

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	1,24,936	75,764
(b) Balances with banks	-	-
(i) In current accounts	57,24,171	61,69,206
(i) In deposit accounts	208,51,666	68,43,026
Total	**267,00,773**	**130,87,995**

9. **Other Financial Assets (Current)**

Particulars	31-Mar-17	31-Mar-16
Deposits	32,19,931	37,22,242
Foreign exchange forward contracts		8,76,853
Total	**32,19,931**	**45,99,095**

10. **Other Current Assets**

Particulars	31-Mar-17	31-Mar-16
Receivable from Government authorities	10,08,025	4,95,257
Total	**10,08,025**	**4,95,257**

11. **Provision Non-Current**

Provisions(Non-Current)		
(i) Provision for Gratuity	11,87,604	10,49,997
(ii) Provision for warranty	13,33,622	9,69,656
Total	**25,21,226**	**20,19,653**

12. Trade and Other Payable

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	1499,37,919	495,38,100
(b) Other Payables	183,84,232	150,03,601
Total Trade Payables	**1683,22,151**	**645,41,702**

13. Financial Current Liabilities

Particulars	31-Mar-17	31-Mar-16
Other Liabilities	15,35,406	-
Total	**15,35,406**	-

14. Other Current Liabilities

Particulars	31-Mar-17	31-Mar-16
(a) Creditors for other liabilities	51,18,847	45,36,924
(b) Other Liabilities	2186,73,188	2229,93,549
Total	**2237,92,035**	**2275,30,473**

15. Revenue from Operations

Particulars	31-Mar-17	31-Mar-16
Sales	14328,23,781	11913,50,662
Service Income	1,75,327	2,62,618
Supplier Rebates	240,50,053	99,25,745
Total	**14570,49,162**	**12015,39,025**

16. Other Income

Particulars	31-Mar-17	31-Mar-16
Interest from dealers	8,79,835	778
Interest Income bank deposits	3,13,740	3,00,792
Profit on sale of Fixed Assets (net)	1,95,761	-
Exchange gain/(Loss) Net	19,70,501	13,60,368
Reversal of inventory obsolescence	-	97,95,198
Reversal of gratuity provision	-	1,09,193
Other Non operating income	4,74,118	6,86,605
Total	**38,33,955**	**122,52,933**

17. Employee Benefit

Particulars	31-Mar-17	31-Mar-16
Salaries and Bonus	221,14,283	227,34,841
Welfare Expenses	5,37,295	5,54,435
Post employment benefits	-	-
Contribution to Provident Fund and other Funds(Defined contribution plan)	18,23,262	18,53,501
Gratuity(Defined benefit plan)	4,55,124	-
Total	**249,29,964**	**251,42,776**

18. Finance Cost

Particulars	31-Mar-17	31-Mar-16
Interest Expenses	47,42,272	36,83,953
Total	**47,42,272**	**36,83,953**

19. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Rent	49,47,923	46,35,573
Commercial Taxes	4,82,735	6,51,705
Repairs and Maintenance	34,181	3,43,014
Utilities	11,12,891	10,35,340
Insurance	2,33,426	1,50,242
Communication	10,68,648	12,07,421
Sales promotion expense	46,65,404	7,06,214
Travel	23,43,311	18,19,730
Professional Charges	5,56,175	3,12,877
Warehouse handling Charges	4,01,436	3,18,230
Bad Debts	36,39,035	51,86,879
Provision for Doubtful receivables	79,033	-
Auditor's Remuneration(including remuneration to Subsidiarie's auditors)	3,30,657	2,73,370
Exchange Gain/(Loss) Net	101,49,750	68,89,938
Loss on Sale of Fixed assets	26,333	1,61,632
Outsourced Resource Cost	-	9,41,452
Miscellaneous Expenses	212,08,892	195,08,390
Total	**512,79,831**	**441,42,005**

20. Commitments and Contingencies

Capital commitments

There were no significant commitments or contingencies.

Contingent Liabilities

There were no Contingent liabilities as at the reporting date.

21. 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.

22.All figures are in Indian rupees unless otherwise stated.

May, 24, 2016

For and on behalf of Board.
Sd:-
Director.

GPO Partners

Tel. + 250 78 830 08 32
Tel. + 250 252 58 79 33
Fax + 250 252 58 79 34
gporw@gpopartners.com
www.gpopartners.com

REDINGTON RWANDA LTD

AUDIT REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2017

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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** KG 7 Ave, 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 2017.

ACTIVITIES

The Company's principal activity is the marketing of home furniture's and apparels.

RESULTS

Turnover for the year was **FRW 0** resulting in a loss of **FRW 17,713,006** as are set out on page 8.

DIRECTORS

The membership of the board of directors and management during the year ended 31 MARCH 2017 is set out on page 3.

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, ….……../2017

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.

………………………………………. ………………………………………

Director Director

………………………………………

GPO Partners Date

Tel. + 250 78 830 08 32
Tel. + 250 252 58 79 33
Fax + 250 252 58 79 34
gporw@gpopartners.com
www.gpopartners.com

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the Financial Statements of REDINGTON RWANDA LTD which comprise the Statement of Comprehensive Income, the Statement of Financial position, the Statement of changes of Equity and Cash-flow statement for the period of 12 months ended 31 March, 2017 and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of REDINGTON RWANDA LTD as at 31 March, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and comply with the Laws and regulations of Rwanda.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements *(in jurisdiction)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparation the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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) We also noted other matters involving internal control and its operation that we have reported to the management of REDINGTON RWANDA LTD in a separate letter ; and
(5) 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

……………..…/2017

REDINGTON RWANDA LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (In Indian Rupees)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(b)Other gain / (losses)	3	-	1,33,422
(c) Total Revenue(a+b)		**-**	**1,33,422**
(d) Expenses			
Other Expenses	4	15,11,100	10,96,308
Total Expenses(d)		**15,11,100**	**10,96,308**
Profit before Corporate social responsibility expenditure and Tax		(15,11,100)	(9,62,887)
Profit before exceptional items and tax		(15,11,100)	(9,62,887)
e.Profit before tax (c-d)		**(15,11,100)**	**(9,62,887)**
h.Profit for the Year (e-f-g)		**(15,11,100)**	**(9,62,887)**
Total Comprehensive Income for the Year attributable to (h+k)		(15,11,100)	(9,62,887)
Profit for the year attributable to the :-			
Shareholders of the Company		(15,11,100)	(9,62,887)
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		(15,11,100)	(9,62,887)

REDINGTON RWANDA LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Current Assets			
Financial assets			
Cash and bank balances	7	5,69,305	6,81,942
Other Current Assets	6	66,47,336	79,19,295
Total Current assets		**72,16,641**	**86,01,237**
Total Assets		**72,16,641**	**86,01,237**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		-	-
Other Equity			
Other reserves		(3,83,500)	(9,62,887)
Retained earnings		(24,73,987)	(8,72,004)
Equity attributable to the owners of the Company		**(28,57,487)**	**(18,34,891)**
Non-Controlling interests		-	-
Total Equity		**(28,57,487)**	**(18,34,891)**
Non-Current Liabilities			
Total Non-current Liabilities		**-**	**-**
Current Liabilities			
Financial Liabilities			
Trade and other payables	10	99,92,048	102,89,302
Other Current Liablities	11	82,080	1,46,826
Total Current Liabilities		**100,74,129**	**104,36,128**
Total Equity and Liabilities		**72,16,641**	**86,01,237**

The financial statements on pages 7 to 17 were approved by the Board of Directors on…………………………..2017 and were signed on its behalf by:

……………………………………………………… Board Chairman

……………………………………………………… Board Member

REDINGTON RWANDA LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

Particulars	Share capital	Retained earnings	Foreign currency transalati	Total Equity
As at April 2016	-	(9,62,887)	(8,72,004)	(18,34,891)
Profit for the year		(15,11,100)		(15,11,100)
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	4,88,504	4,88,504
Deduction				-
Balance as at March 31, 2017	-	(24,73,987)	(3,83,500)	(28,57,487)

REDINGTON RWANDA LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2017

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	(15,11,100)	(9,62,887)
Adjustments for		
Change in Working capital		
Trade and other payables	15,07,536	7,80,848
Cash Generated from Operations	**(3,564)**	**(1,82,039)**
Income tax paid	-	-
Net Cash generated from operating activities	(3,564)	(1,82,039)
Cash flow from financing activity		
Adjustment on Retained Earnings	-	(1,09,574)
Net cashflow from financing activity	-	**(1,09,574)**
Net increase in cash and cash equivalents	(3,564)	(2,91,613)
Cash and Cash equivalents at the beginning of the year	6,81,942	7,08,108
Currency transalation asjustment	(1,09,073)	2,65,447
Cash and Cash equivalents at the end of the year	**5,69,305**	**6,81,942**

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2017

1 GENERAL

REDINGTON RWANDA LTD is a legally registered company operating in Rwanda. It offers electronic equipment's.

Established on 09thMay, 2012, REDINGTON RWANDA LTD started with a share capital of FRW 6,500,000 represented by 1,000 shares of 6,500 FRW each. On 31th March 2016, the share capital was not yet paid up.

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 2017 (CONTINUED)

STOCKS VALUATION

Stocks are valued 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

Where necessary, comparative figures have been adjusted to conform to changes in presentation in current year.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2017 (CONTINUED)

3 Other Income

Particulars	31-Mar-17	31-Mar-16
Exchange gain/(Loss) Net	-	1,33,422
Total	**-**	**1,33,422**

4 Operating costs

Particulars	31-Mar-17	31-Mar-16
Professional Charges	1,55,912	1,29,076
Exchange Loss Net	13,51,625	9,67,233
Bank Charges	3,564	-
Total	**15,11,100**	**10,96,308**

5 Income Tax

	Y/E 31/03/2017	Y/E 31/03/2016
Profit before tax	**(17,713,006)**	**(10,605,379)**
Reintegration	-	-
Loss carried forward	-	-
Taxable amount	(17,713,006)	(10,605,379)
Income tax@30%	-	-

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2017 (CONTINUED)

6 Other Current Assets

Advance income tax (net off provisions)	1,29,836	1,54,680
Withholding Tax (Debit)	64,12,120	76,39,070
Vat Recoverable	1,05,381	1,25,545
Total	**66,47,336**	**79,19,295**

7 Cash and cash equivalents

Particulars	**31-Mar-17**	**31-Mar-16**
(a) Cash on hand	1	1
(b) Balances with banks		
(i) In current accounts	5,69,304	6,81,941
Total	**5,69,305**	**6,81,942**

7.1 Bank – Current Accounts

Particular		
Bank of Kigali - Frw - 00040041919704	4,69,546	5,61,254
Bank of Kigali - USD - 00040041919803	1,78,979	2,15,068
Cash & Bank Revaluation	-79,221	-94,380
Total	5,69,304	6,81,941

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2017 (CONTINUED)

8 Share capital

	2017 Number	2017 FRW
Authorized:		
Ordinary shares of FRW 10,000 each	**6,500**	**6,500,000**
	=======	=======
Issued and not yet paid up:		
Ordinary shares of FRW 10,000 each	**6,500**	**6,500,000**
	=======	=======

100% of share capital is owned by Gulf FZE. Share capital is not yet paid that why it has zero balance in the financial statements

9 Intercompany payables

Particulars	31-Mar-17	31-Mar-16
Intercompany – Payables	78,16,455	91,01,159
AP Revaluation - Related Party	13,79,953	3,53,446
Total	91,96,408	94,54,605

10 Trade and other payables

Particulars	31-Mar-17	31-Mar-16
Trade Payables	7,95,640	8,34,697
Due to related parties	91,96,408	94,54,605
Total Trade Payables	**9992048**	**10289302**

11 Other Current Liability

Particulars	31-Mar-17	31-Mar-16
Statutory liabilities	11,996	14,291
Other Liabilities	70,084	1,32,534
Total	**82,080**	**1,46,826**

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2017 (CONTINUED)

12 RELATED PARTY TRANSACTIONS

Companies and other parties related to the company include those parties who have the ability or where the company has the ability to exercise control or exercise significant control over the operating and financial decisions. Related parties include the management personnel, their associates and close family members.

In the normal course of business, the company transacted with REDINGTON KENYA LTD, REDINGTON TANZANIA, REDINGTON AFRICA FZE and which are related to REDINGTON Rwanda Ltd by virtue of common shareholding. These related companies provided telecommunication equipment's to REDINGTON RWANDA LTD

During the year ended 31 MARCH 2017, the Company did not traded with related entities, except the balance which is outstanding from prior year. The nature, volume of transactions and the balances with the entities are as follows:

Amount payables to related party

		31/03/2017
	Nature of transaction	**FRW**
Redington Gulf FZE	Supplier of telecomm. Equipment	78,16,455
		78,16,455

13 CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities accrued to the company as at 31 MARCH 2017.

14 REPORTING CURRENCY

The financial statements are presented in Indian Rupees.

15 INCORPORATION

The Company is incorporated in Rwanda as a limited liability company and is domiciled in Rwanda.

* * *
*

FINANCIAL STATEMENTS

REDINGTON KAZAKHSTAN

CONTENT

ACKNOWLEDGMENT OF THE MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS

The management of Redington LLP Kazakhstan is responsible for the preparation of financial statements that reliably reflect in all material aspects the financial position of Redington Kazakhstan LLP (the Company) as of December 31, 2016, as well as the results of the Company's operations, cash flows and changes in equity for the year, Ending on that date, in accordance with International Financial Reporting Standards (IND AS).

In preparing the financial statements for 2016, the Company's management is responsible for:

- Selection of appropriate accounting principles and their consistent application;
- Making judgments and estimates that are reasonable and prudent;
- compliance with the requirements of IND AS and disclosure of all material departures from IND AS in the notes to the financial statements;
- preparation of the financial statements of the Company on the assumption that it will continue to operate in the foreseeable future, except for cases when such an assumption is not lawful.

The Company's management is also responsible for:

- development, implementation and operation of an effective and reliable internal control system within the Company;
- maintaining an accounting system that allows, at any time, to prepare with sufficient accuracy information on the financial position of the Company and ensure that its financial statements comply with the requirements of IND AS and the laws of the Republic of Kazakhstan;
- taking measures within its competence to ensure the safety of the Company's assets; and
- Identification and prevention of fraud, errors and other abuses.

The accompanying financial statements for the year ended December 31, 2016 were approved by the management of Company "30" March 2017.

Financial Director __________________ Bhat Muralidhar

Chief Accountant ________________________ N.A.Drokina

Signature (full name)

"30" March 2017

The name of the organization **Limited Liability Partnership "Redington Kazakhstan"**
Information on reorganization

Type of activity of organization - Agents involved in the sale of a wide range of goods

Organizational and legal form - LLP

Reporting format: consolidated / unconsolidated - unconsolidated

(delete as applicable)

Average annual number of employees- 20 people

Entrepreneur - medium
Entrepreneur - medium
(Small, medium, large)

Legal address (organization) of Almaty, Makataev str., 117

Statement of Financial Position (In Indian Rupees)

As at 31-December-2016

Particulars	Note No.	As at December 31, 2016	As at December 31, 2015
Assets			
Non-Current Assets			
Property Plant and Equipment	1	6,91,723	13,61,855
Other Intangible assets(Software)		58,238	76,349
Income tax asset (Net)		433,23,206	148,48,489
Total Non Current Assets		**440,73,167**	**162,86,693**
Current Assets			
Inventories	2	5392,64,641	2485,62,948
Financial assets			
Trade receivables	3	7008,07,540	1826,94,644
Cash and bank balances	4	674,01,768	78,098
Other Current Assets	5	33,17,298	33,00,506
Total Current assets		**13107,91,246**	**4346,36,195**
Total Assets		**13548,64,413**	**4509,22,889**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		28,50,787	27,19,824
Other Equity			
Other reserves		627,65,157	(5381,74,011)
Retained earnings		(3522,37,936)	791,08,748
Equity attributable to the owners of the Company		**(2866,21,993)**	**(4563,45,440)**
Non-Controlling interests		-	-
Total Equity		**(2866,21,993)**	**(4563,45,440)**
Current Liabilities			
Financial Liabilities			
Trade and other payables	6	16414,86,406	6859,84,825
Borrowings	7		2212,83,504
Total Current Liabilities		**16414,86,406**	**9072,68,329**
Total Equity and Liabilities		**13548,64,413**	**4509,22,889**

Financial Director Bhat Muralidhar

____
(signature)

Chief Accountant N.A. Drokina______________________
(signature)

Stamp here

The name of the organization Limited Liability Partnership "Redington Kazakhstan"

Profits and Losses Statement for the year ending December 31, 2016(In Indian Rupees)

Particulars	Note No.	Period ended December 31,2016	Period ended December 31,2015
Comprehensive Income:			
(a).Revenue from operations		23838,65,955	14638,49,510
(b)Other gain / (losses)		214,71,498	374,87,601
(c).Total Revenue(a+b)		**24053,37,453**	**15013,37,110**
d.Expenses			
Purchase of traded goods		24053,10,028	13725,58,551
Changes in inventories		(2907,01,693)	(1212,15,830)
Finance Costs		266,85,316	36,89,151
Depreciation & Amortisation		9,92,478	22,15,641
Other Expenses		771,15,250	7822,63,609
Total Expenses(d)		**22194,01,378**	**20395,11,122**
Profit before Corporate social responsibility expenditure and Tax		**1859,36,075**	**(5381,74,011)**
Profit before exceptional items and tax		**1859,36,075**	**(5381,74,011)**
e.Profit before tax (c-d)		**1859,36,075**	**(5381,74,011)**
h.Profit for the Year (e-f-g)		**1859,36,075**	**(5381,74,011)**
Total Comprehensive Income for the Year attributable to (h+k)		1859,36,075	(5381,74,011)
Profit for the year attributable to the :-			
Shareholders of the Company		1859,36,075	(5381,74,011)
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		1859,36,075	(5381,74,011)

Financial Director Bhat Muralidhar ____
(signature)

Chief Accountant N.A. Drokina______________________
(signature)

Stamp here

The name of the organization Limited Liability Partnership "Redington Kazakhstan"

Cash Flow Statement (direct method)

Particulars	31-Dec-16	31-Dec-15
Profit before income tax	1859,36,075	(5381,74,011)
Adjustments for		
Depreciation and Amortisation	9,92,478	40,32,418
Change in Working capital		
Decrease/(increase) in inventories	(2703,56,358)	(421,38,220)
Decrease/(increase) in trade and other receivables	(4940,09,563)	(230,58,162)
Decrease/(increase) in Other Current Asset	(1,37,861)	(193,37,730)
Increase / (Decrease)in trade and other payables	8947,47,715	1631,09,338
Cash flow from operating activity	**3171,72,487**	**(4555,66,368)**
Net Cash Flow From Operating Activity	3171,72,487	(4555,66,368)
Cash flow from investing activity		
Purchases of property and equipment	(2,57,748)	-
Net cash in investing activity	(2,57,748)	-
Net increase in cash and cash equivalents	3169,14,739	(4555,66,368)
Cash and Cash equivalents at the beginning of the year	78,098	168,57,826
Currency transalation asjustment	(2495,91,069)	4387,86,640
Cash and Cash equivalents at the end of the year	**674,01,768**	**78,098**

Financial Director Bhat Muralidhar ____
(signature)

Chief Accountant N.A. Drokina_____________________
(signature)

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The name of the organization Limited Liability Partnership "Redington Kazakhstan"

Statement of changes in equity

For the year ending December 31, 2016

Particulars	Share capital	Retained earnings	Foreign currency transalation reserve	Total Equity
As at December 2015	27,19,824	(5381,74,011)	791,08,748	(4563,45,440)
Profit for the year		1859,36,075		1859,36,075
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	(162,12,628)	(162,12,628)
Deduction				-
Balance as at December 31, 2017	28,50,787	(3522,37,936)	628,96,120	(2866,21,993)

Financial Director   Bhat Muralidhar ____

(signature)

Chief Accountant   N.A. Drokina______________________

(signature)

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NOTES TO THE FINANCIAL STATEMENTS

1. About Us

Redington Kazakhstan LLP (hereinafter referred to as the Company) is registered with the Department of Justice of Almaty on 24 April 2012.

Certificate of state registration of a legal entity - No. 517-1910-02-LLP (IU) dated April 24, 2012. BIN 120 440 021 308. The code of OKPO 51553210.

The company is registered in the Republican Governmental Agency of the Administration of Public Revenue for Almalinsky district of Department of in Almaty city of State Revenue Committee of Finance Ministry of RoK. BIN 120 440 021 308. On the accounting for the value-added tax is from "01" June 2012. Certificate of Series 60001 No. 0068385 of 24.08.2012.

A participant of the Company in accordance with the charter is:

1. The only founder and member of the Company is Redington Gulf FZE (hereinafter referred to as the "Participant"), a legal entity established and operating in accordance with the laws of the United Arab Emirates (UAE), owning one hundred percent (100%) of equity participation in the Company's share capital. Registration number of the Participant is 00489.

The authorized capital is 14,000,000 tenge. The charter is approved by the participant from 14.03.2012 year.

Location of the legal entity: RK, Almaty, ul. Makataeva, 117.

Legal address: RK, Almaty, ul. Makataeva, 117.

The subject of the Company's activity is:

• carrying out activities as collectors, importers, exporters, agents, representatives of the manufacturer, a company that supports inventories, as well as suppliers, carriers, distributors, wholesalers and retailers and dealers of information technology products and other information technology services.

• sale, distribution, maintenance, repair, installation, modification, testing and support of Information Technology Products, including all types of computers, computer systems, computer equipment, software and all similar types of equipment, accessories, tools, spare parts and auxiliary components;

• Creation of service centers and maintenance of the provision of technical redundancy and consulting services for information technology products, as well as conducting activities as advisers and advisors on information technology services;

• Other activities not prohibited by the current legislation of the Republic of Kazakhstan

The average number of employees is 20 people.

The supreme governing body of the Company is the Participant. The executive body is the Director General.

The economic environment in which the Company operates.

The results of the Company's operations depend on the ability to sell goods with sufficient profitability and the overall economic situation in Kazakhstan and beyond. Activities are subject to specific economic political and social risks inherent in doing business in the Republic of Kazakhstan.

1. Basis of presentation of financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IND AS"). The financial statements are presented in thousands of Kazakhstani tenge.

Basis of preparation of financial statements

The accompanying financial statements have been prepared in accordance with IND AS. The company's activities are carried out in accordance with the Accounting Policy, according to which the basic rules of accounting organization, as well as the requirements for internal control are determined.

The following principles are based on the Company's Accounting Policy: accruals, continuous activity; And qualitative characteristics: clarity, significance, materiality, reliability, neutrality, circumspection, completeness, comparability, consistency, truthful and impartial representation.

Presentation currency

The accompanying financial statements are assessed and maintained in the national currency of the Republic of Kazakhstan - tenge. Transactions and events in foreign currency are recorded in the national currency of the Republic of Kazakhstan using the market exchange rate in the manner prescribed by the legislation of the Republic of Kazakhstan.

Principle of continuity

The accompanying financial statements have been prepared on the basis of the principle of continuity, which implies the sale of assets and the discharge of liabilities in the normal course of business. The ability of the Company to sell its assets, as well as its future operations, may be subject to significant impact of current and future economic conditions in Kazakhstan.

Accrual basis

Financial reporting, with the exception of information on the movement of money, is prepared according to the accrual method (transactions and events are recognized when they occurred (and not as cash or cash equivalents are received or paid) and are recorded in the accounting registers and presented in the financial statements of those periods , To which they relate). Expenses are recognized in the statement of comprehensive income on the basis of a direct comparison between the costs incurred and the earnings of specific income items (the concept of correlation). Revenue is recognized when you receive economic benefits associated with the transaction, and the ability to reliably estimate the amount of income.

Estimates and assumptions

The Company uses estimates and assumptions about future operations. Estimates and judgments are subject to constant critical analysis and are based on past management experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the future, actual results may differ from these subjective estimates and assumptions. Estimates and assumptions that bear a significant risk of material adjustment to the carrying amount of assets and liabilities in the next financial year are discussed below:

Useful life of intangible assets and fixed assets:

Intangible assets and property, plant and equipment are depreciated over the life of their useful lives. Useful lives are determined based on management's estimates of the period during which the assets will be profitable, these periods are not periodically reviewed..

1. Summary of Significant Accounting Policies

Cash and cash equivalents. Cash and cash equivalents include cash on bank accounts and on hand (in tenge and in currency), on bank accounts, cash on deposit bank accounts, cash on special accounts, cash on hand. Cash is recorded in the balance at historical cost. The cashier's report is drawn up daily.

The cash book is conducted in an automated way, in which its sheets are formed in the form of a machine-book "Invoice sheet of the cash book".

Issue of cash under the report is made:

-for expenses related to official business - within the limits of the amounts owed to business travelers for these purposes;

-for operating, business and entertainment expenses.

Unused accountable amounts must be deposited to the cashier no later than fifteen days after the expiration of the period for which they were issued.

Issue of cash for the report is made subject to a full report on the amounts previously reported under the report.

The company has a settlement, currency and deposit (guarantee, pledge) account. The order of execution and execution of operations in the bank is regulated by the rules of the bank.

Receivables. A receivable is a company's debt, a non-current asset that is used for the core business, that is, it is the debt of others to the company whose accounting is expressed as property of the company, that is, the right to receive a sum of money (goods, services, etc.).) From the debtor. The reason for the origination of a receivable is that the goods have already been sold (the service has been rendered), billed, but not yet paid.

The criterion for recognition of accounts receivable:

There is a high probability of obtaining (outflow) economic benefits associated with this asset (liability);

The value of an asset or liability can be measured reliably.

When reflecting assets and liabilities, the principle of conservatism is of primary importance, according to which the value of assets should not be overstated, and the amount of liabilities is understated, therefore, at initial recognition, accounts receivable are estimated at fair value (at transaction value), including transaction costs that are directly Are related to the acquisition or issue of a financial asset.

Accounts receivable are classified as current assets if they are to be repaid within 12 (twelve) months after the reporting date (or under normal operating cycle conditions). The operational cycle is the time interval between the acquisition (appearance) of assets and their conversion into cash.

Accounts receivable are divided into trade receivables and non-trade receivables.

In the company to accounts receivable are accounts receivable. Non-trade receivables include:

Advances issued to officials and employees;

Receivables are recognized when the related income is recognized. Calculations of customers with the company are made by transferring funds to the company's current account.

The nature of education accounts receivable is divided into normal and not justified. Normal refers to the one that is due to the course of production and economic activities of the company, as well as the existing forms of payment.

Receivables that are not paid on time and on which the company is allegedly not receiving cash are called doubtful or hopeless. Accounts receivable for which the statute of limitations expired in accordance with the legislation of the Republic of Kazakhstan are recognized as a bad debt and are subject to write-offs for the period expenses and are included in the income statement. The basis for writing off receivables from the company's balance sheet is the expiration of a three-year limitation period (Article 178 of the Civil Code of the Republic of Kazakhstan). The running of the limitation period starts from the day when the company learned or should have learned about the violation of the law. For obligations with a certain period of performance, the limitation period starts after the expiration of the execution period. For obligations, the deadline for execution of which is not determined or determined by the moment of demand, the period of limitation starts from the moment of presentation of the demand for the performance of the obligation. On the basis of regressive obligations, the limitation period starts from the moment the principal obligation is fulfilled (Article 180 of the Civil Code of the Republic of Kazakhstan).

Deductions are subject to claims recognized as questionable in accordance with Article 105 of the Tax Code. It is also necessary to make an adjustment to the amounts of value added tax payable to the budget, in the direction of their reduction.

Accounts receivable are reflected in the amount of the invoice issued minus the provision for doubtful debts. Provisions for doubtful debts are recognized when there is evidence that the Company will not be able to receive the amount due to it within the period specified in the contract. When a provision is made for doubtful claims, the Company applies the method of accounting for accounts by maturity. This method analyzes the balances of accounts receivable by maturity. If the buyer misses the due date, it is possible that the account will not be paid.

When the provision for doubtful claims is formed for the first time, its total amount is recorded as the period expenses in the statement of comprehensive income.

If there was already a provision for doubtful claims, but its amount has increased, the amount of its increase for the reporting period is indicated in the statement of comprehensive income as the period costs.

If the reserve for doubtful claims was already available, but its size has decreased, this amount will reduce the period costs.

Other receivables - other accounts receivable include assets with an expected maturity of up to one year, recorded at nominal value.

Value added tax. Value added tax related to sales proceeds is payable to the state budget as goods and services are sold to customers. The company applies a proportional method.

VAT included in the cost of purchased goods and services is generally recoverable by offset against VAT accrued from sales proceeds upon receipt of such goods and services. Such offset is made in accordance with the tax legislation of the Republic of Kazakhstan.

Inventories. Inventory accounting is conducted in accordance with IND AS 2 "Inventories". The cost of inventories is determined by the weighted average cost method. The cost price of goods includes the cost of the goods, the cost of customs clearance, transportation, payment for brokerage services and other costs. The possible selling price is the estimated selling price in the normal course of business, minus the possible costs of performing work and the possible costs of implementation. The cost price of the sold inventories is recognized as an expense in the reporting period in which the income associated with it is recognized in the presence of primary documents.

Scheduled inventory of inventory in the warehouse is held once a year as of January 1. To carry out the inventory, an order is appointed by the general director of the company. The inventory commission makes an inventory inventory of material assets. It reflects the actual availability of inventory items based on the recalculation for each materially responsible person separately. On the basis of inventories, an inventory sheet of the inventory results is compiled by the bookkeeper. Inventories are signed by the accountant and members of the commission. The financially responsible person confirms his / her signature with the results of the inventory. The result of the inventory is displayed no later than three days after the inventory is completed.

Fixed assets. Fixed assets are accounted for in accordance with IND AS 16 Property, Plant and Equipment. The cost of acquired fixed assets is accounted for at the initial cost specified in the primary documents. Depreciation of fixed assets is calculated on the basis of a straight-line method over the established useful life period of each asset group.

Revaluation of fixed assets is carried out if the initially estimated value of fixed assets has ceased to correspond to market value. Revaluation leads to the need for adjustments and the amount of accumulated depreciation.

Capital repair of fixed assets, which increases the useful life, is capitalized. The costs of current repairs and maintenance are expensed as incurred. Any income or loss arising on the retirement of property, plant and equipment is allocated to income or expense for the current year.

The carrying amount of property, plant and equipment is reviewed for impairment when there are signs of impairment in the economy.

Depreciation. Depreciation of property, plant and equipment is calculated as follows: a straight-line method is applied, which is the accumulation of a constant amount of depreciation over the useful life of the asset.

The useful life of fixed assets is fixed, (years):

Motor vehicles	From 48 to 120 months
Stationery and computers	From 24 to 120 months
Cars and equipment	From 24 to 120 months
Fixed assets not included in other groups	From 15 to 120 months

Depreciation commences on the 1st day of the month following the month of commissioning of the fixed asset and ceases on the 1st day of the month following the month of disposal..

Intangible assets. Intangible assets are measured at cost less accumulated depreciation. Amortization is calculated on a straight-line basis over the estimated useful lives of these assets. Depreciation expense is recognized in the statement of comprehensive income for the period.

Impairment of property, plant and equipment and intangible assets. The Company assesses, at each reporting date, the presence of any signs indicating a possible impairment of the asset. In the event that any such indication exists, the Company estimates the fair value of the asset less costs to sell.

An impairment loss is recognized when the net carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is determined as the largest of the quantities: the net selling value and the value of its use.

Impairment of non-financial assets. The Company assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset can not be recovered.

In the event that there are such indicators of impairment or when an annual testing of the group of assets for impairment is required, the Company estimates the recoverable amount of the asset. The recoverable amount of the group of assets is the higher of the fair value less costs to sell and the value of its use. In those cases where the carrying amount of an asset group exceeds its recoverable amount, then the group of assets is subject to depreciation and is written off to replacement value. At each reporting date, an assessment is made as to whether there are any indicators indicating that impairment losses previously recognized no longer exist or have been reduced. If such indicators exist, then the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognized. In this case, the residual value of the asset is increased to the recoverable amount. The increased cost of an asset may not exceed the carrying amount that would have been determined, less depreciation or amortization, if no impairment loss was recognized in prior periods. Such reversal is recognized in the statement of comprehensive income.

After the reversal posting, depreciation costs are adjusted in subsequent periods to allocate the revised carrying amount of the asset, less the residual value.

Credits and loans. At initial recognition, loans received are recorded at fair value. Loans are recognized at cost, which corresponds to the fair value of the received funds after deduction of transaction costs. The cost of loans denominated in foreign currency is formed on the basis of the actual funds received in terms of the market rate prevailing at the date of receipt of funds.

With a maturity of up to 12 months after the balance sheet date, loans are classified as short-term, with a maturity of more than 12 months after the balance sheet date - as long-term loans.

Analytical accounting of loans received is maintained for each loan separately.

Termination of recognition of loans. The company ceases to recognize loans received only in the case when they are redeemed, i. The obligation specified in the loan agreement is fulfilled.

Employee benefits. Depending on the functions performed, employees are subdivided into senior employees and specialists. The remuneration of employees in accordance with their qualifications is made according to the staff schedule on the basis of orders and labor contracts. The recruitment, transfer, business trips, dismissal and processing of holidays is carried out on the basis of orders. The working time for a five-day working week is 8 hours with a break for lunch. The duration of the next work holiday is not less than 24 calendar days. Bonuses are rewarded on the basis of the order of the company's management. All forms of remuneration and payments provided by the Company to employees for the services rendered by them. They include any income paid by the Company to the employee in cash or in kind, including income in the form of material, social benefits or other material benefits.

The company pays only short-term rewards. Short-term benefits include any payments to employees who are made up to twelve months after the end of the period in which the work was performed.

Liabilities for pensions. In accordance with the requirements of the legislation of the Republic of Kazakhstan, the Company deducts pension payments from the wages of employees and transfers them to the State Center for the Payment of Pensions. Calculation of mandatory pension contributions to the company is made in accordance with the Law of the Republic of Kazakhstan "OG pension provision". Accounting of mandatory pension contributions paid to the accumulative pension fund in the company is conducted separately for each individual (employee). When retiring employees of the company, all pension payments are made by pension funds.

Trade payables and other payables. Trade payables and other payables are accounted for at their fair value, which must be paid in the future for the goods or services received.

Debts to suppliers and contractors are accrued upon the fact that the counterparty performed its contractual obligations.

Reserves. Provisions are recognized when the Company has current liabilities (as determined by law or implied) arising from past events that are likely to be required to dispose of resources that incur economic benefits; And the amount of such obligations can be estimated with a sufficient degree of accuracy.

Revenue recognition. Revenue from the sale of goods is recognized when the goods are sold at fair value. Revenues are shown net of VAT.

Operations in foreign currency. All foreign exchange transactions are carried out through authorized banks. Initially operations in foreign currency should be reflected in tenge using the rate of the National Bank of Kazakhstan as of the date of the transaction.

The date of the transaction is the date when the transaction should be reflected in the financial statements.

The exchange difference arising at the time of settlement under the foreign exchange transaction that is exercised during the same reporting period is charged to profit or loss for the period and is reflected in the statement of comprehensive income in the item "Other income / expenses".

Subsequent recognition at each balance sheet date:

-staties in foreign currency should be presented with the use of the final rate;

-not monetary (non monetary) items in foreign currency, recorded at the original actual cost of the acquisition, should be presented on the basis of the exchange rate at the date of the transaction.

The exchange rate difference that arose as a result of a change in the exchange rate between the transaction date and the maturity of monetary items or at the date of restatement of assets and liabilities as at the reporting date should be recognized as income or expense in the period in which they arise. In analytical accounting operations in foreign currency are reflected at par value in foreign currency.

Recalculation of foreign currencies. The functional currency of the company's reporting is the currency of the primary economic environment in which the company operates. The functional currency and presentation currency of the company is the national currency of the Republic of Kazakhstan - Kazakhstan tenge.

As at 31 December 2016, the principal exchange rate used to restate balances on cash items in:

- US dollars, amounted to KZT333.29 per US dollar

Annexes to the financial statements of 2016

1.Property Plant and Equipment

Description	Office Equipments	Total
Cost		
As at 01.01.16	59,08,623	59,08,623
Additions	2,57,748	2,57,748
Assets of Subsidiaries acquired	-	-
Disposal	-	-
Translation adjustments	2,92,494	2,92,494
As at 31.12.16	**64,58,865**	**64,58,865**
Accumulated Depreciations		
As at 01.01.16	44,70,419	44,70,419
Additions	9,92,478	9,92,478
Assets of subsidiaries acquired	-	-
Disposals	-	-
Disposal of Assets of EA		-
Translation adjustments	2,46,008	2,46,008
As at 31.12.16	**57,08,905**	**57,08,905**
Carrying Amount		
As at 01.01.16	**14,38,204**	**14,38,204**
As at 31.12.16	**7,49,961**	**7,49,961**

Fixed assets are not encumbered as collateral. As of 31.12.2016, there are no signs of impairment. The company did not reassess.

2. Inventories

Particulars	31-Dec-16	31-Dec-15
(a) Trading Stocks	5392,64,641	2485,62,948
Total	**539264641**	**2485,62,948**

3. Trade and Other Receivables

Particulars	31-Dec-16	31-Dec-15
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	7008,07,540	1826,94,644
Total Trade and other receivable	**7008,07,540**	**1826,94,644**

4. Cash and Cash Equivalent

Particulars	31-Dec-16	31-Dec-15
(a) Cash on hand	674,01,768	78,098
Total	**674,01,768**	**78,098**

5. Other current Assets

Particulars	31-Dec-16	31-Dec-15
Others	33,17,298	33,00,506
Total	**33,17,298**	**33,00,506**

6. Trade Payables

Particulars	31-Dec-16	31-Dec-15
(a) Trade Payables	16226,33,337	6825,88,737
(b) Other Payables	188,53,069	33,96,089
Total Trade Payables	**16414,86,406**	**6859,84,825**

7. Borrowings

Particulars	31-Dec-16	31-Dec-15
(a) Secured loans from banks		2212,83,504
Total		2212,83,504

8. Sales

Particulars	31-Dec-16	31-Dec-15
Sales	23838,65,955	14638,49,510
Total	**23838,65,955**	**14638,49,510**

9. Other Income

Particulars	31-Dec-16	31-Dec-15
Other Non operating income	214,71,498	374,87,601
Total	**214,71,498**	**374,87,601**

10. Finance Cost

Particulars	31-Dec-16	31-Dec-15
Other Borrowing costs	-	-
Total	**266,85,316**	**36,89,151**

11. Other Cost

Particulars	31-Dec-16	31-Dec-15
Rent	41,67,815	65,68,677
Repairs and Maintenance	18,171	54,353
Utilities	1,21,665	1,91,431
Communication	6,32,026	10,50,033
Travelling Expenses	5,88,969	5,67,722
Professional Charges	4,54,861	-
Auditor's Remuneration(including remuner	6,36,569	6,93,153
Security Charges	4,70,069	6,74,936
Bank Charges	5,12,928	6,57,614
Miscellaneous Expenses	695,12,176	7718,05,689
Total	**771,15,250**	**7822,63,609**

These financial statements are signed on behalf of the company by the following persons who are in posts as of 30.03.2017.

Contact Information:

Legal address of the Partnership:
Limited Liability Company "Redington Kazakhstan"
Almaty, Makataeva, 117. tel. +7 (727) 386-02-00..

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

Report and separate financial statements
for the year ended 31 March 2017

Ensure Gulf FZE

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INDEPENDENT AUDITOR’S REPORT

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

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the accompanying separate financial statements of **Ensure Gulf FZE, Jebel Ali Free Zone, Dubai, United Arab Emirates** (the “Establishment”) which comprise the statement of financial position as at 31 March 2017, 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 notes to the separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Establishment as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IND AS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Establishment’s separate financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the separate financial statements, management is responsible for assessing the Establishment’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

Cont’d…

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Establishment to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

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, except for rule 47 of the Jebel Ali Free Zone Authority Implementing Regulations No. 1/92 which requires the Establishment to prepare separate financial statements.

Cynthia Corby
Registration No. 995
xxxxxxxx 2017
Dubai, United Arab Emirates

Statement of financial position
as at 31 March 2017 (In Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	5	9,49,768	10,87,850
Other Intangible assets(Software)	6	7,56,552	-
Non-Current Financial Assets	7	167,22,993	143,79,675
Total Non Current Assets		**184,29,313**	**154,67,526**
Current Assets			
Inventories		138,10,959	93,46,365
Financial assets			
(i) Trade receivables	9	19671,16,799	13948,94,258
(ii) Cash and bank balances	12	5,02,179	6,59,325
(iii) Other financial assets	10	68,17,055	69,77,518
Other Current Assets	11	46,31,330	33,59,971
Total Current assets		**19928,78,321**	**14152,37,438**
Total Assets		**20113,07,634**	**14307,04,963**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		176,55,000	180,37,500
Other Equity			
Other reserves		629,10,089	(14,57,076)
Retained earnings		65,69,680	645,00,312
Equity attributable to the owners of the Company		**871,34,769**	**810,80,736**
Non-Controlling interests		-	-
Total Equity		**871,34,769**	**810,80,736**
Non-Current Liabilities			
Provisions	14	308,98,934	288,25,639
Total Non-current Liabilities		**308,98,934**	**288,25,639**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	15	18661,27,533	13126,87,360
Other Current Liablities	16	271,46,399	81,11,229
Total Current Liabilities		**18932,73,931**	**13207,98,589**
Total Equity and Liabilities		**20113,07,634**	**14307,04,963**

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The accompanying notes form an integral part of these separate financial statements.

Statement of comprehensive income
for the year ended 31 March 2017(In Indian Rupees)

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations		3577,24,245	2256,67,393
(b)Other gain / (losses)		445,73,819	796,71,755
(c) Total Revenue(a+b)		**4022,98,065**	**3053,39,148**
(d) Expenses			
Purchase of traded goods		2831,05,030	1327,28,893
Changes in inventories		(44,64,594)	188,51,591
Employee Benefits	17	1001,69,838	750,59,914
Depreciation & Amortisation		3,25,166	2,34,950
Other Expenses	17a	151,35,868	799,20,877
Total Expenses(d)		**3942,71,308**	**3067,96,224**
Profit before Corporate social responsibility expenditure and Tax		80,26,756	(14,57,076)
Profit before exceptional items and tax		80,26,756	(14,57,076)
e.Profit before tax (c-d)		**80,26,756**	**(14,57,076)**
h.Profit for the Year (e-f-g)		**80,26,756**	**(14,57,076)**
Total Comprehensive Income for the Year attributable to (h+k)		80,26,756	(14,57,076)
Profit for the year attributable to the :-			
Shareholders of the Company		80,26,756	(14,57,076)
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		80,26,756	(14,57,076)

The accompanying notes form an integral part of these separate financial statements.

Statement of changes in equity
for the year ended 31 March 2017(In Indian Rupees)

Particulars	Share capital	Retained earnings	Foreign currency transalati	Total Equity
As at April 2016	180,37,500	(14,57,076)	645,00,312	810,80,736
Profit for the year		80,26,756		80,26,756
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	(19,72,723)	(19,72,723)
Deduction				-
Balance as at March 31, 2017	176,55,000	65,69,680	625,27,589	871,34,769

The accompanying notes form an integral part of these separate financial statements.

Statement of cash flows
for the year ended 31 March 2017 (In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	80,26,756	(14,57,076)
Adjustments for		
Depreciation of property and equipment	3,02,424	2,34,950
Amortization of intangibles	22,752	-
Provision for employees' end-of-service indemnity	35,89,891	40,52,046
Write-off of an investment in subsidiary	-	8,90,231
Change in Working capital		
(Increase)/decrease in inventories	(48,14,754)	202,80,846
(Increase)/decrease in due from related parties	(5725,53,140)	25298,64,067
Increase in prepayments and other receivables	(502,35,757)	(56,46,805)
Increase/(decrease) in due to related parties	5925,98,869	(25377,86,071)
Increase/(decrease) in trade and other payables	274,55,142	(104,49,440)
Cash Generated from Operations	**43,92,183**	**(17,253)**
Employees' end-of-service indemnity paid	(8,17,833)	(36,090)
Net Cash generated from operating activities	35,74,349	(53,343)
Cash flow from investing activity		
Purchase of property and equipment	(1,83,671)	(6,64,753)
Net cash in investing activity	(1,83,671)	(6,64,753)
Net increase in cash and cash equivalents	33,90,678	(7,18,096)
Cash and Cash equivalents at the beginning of the year	6,59,325	13,32,208
Currency transalation asjustment	(35,47,824)	45,213
Cash and Cash equivalents at the end of the year	**5,02,179**	**6,59,325**

The accompanying notes form an integral part of these separate financial statements.

Notes to the separate financial statements for the year ended 31 March 2017 (In Indian Rupees)

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 2017 and 2016:

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%	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 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 IND AS 110 *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.

for the year ended 31 March 2017 (continued) (In Indian Rupees)

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

2.1 New and revised IND AS applied with no material effect on the consolidated financial statements

The following new and revised IND AS, which became effective for annual periods beginning on or after 1 April 2016, have been adopted in these consolidated financial statements. The application of these new and revised IND AS 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.

- IND AS 114 *Regulatory Deferral Accounts*
- Amendments to IND AS 1 *Presentation of Financial Statements* relating to Disclosure initiative
- Amendments to IND AS 111 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 41 *Agriculture*: Bearer Plants
- Amendments to IND AS 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
- Amendments to IND AS 110 *Consolidated Financial Statements*, IND AS 112 *Disclosure of Interests in Other Entities* and IND AS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities
- Annual Improvements to IND ASs 2012 - 2014 Cycle covering amendments to IND AS 105, IND AS 107, IND AS 19 and IND AS 34

2.2 New and revised IND AS in issue but not yet effective

The Establishment has not yet applied the following new and revised IND AS that have been issued but are not yet effective:

New and revised IND AS	***Effective for annual periods beginning on or after***
Annual Improvements to IND AS Standards 2014 - 2016 Cycle amending IND AS 101, IND AS 112 and IND AS 28	The amendments to IND AS 101 and IND AS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IND AS 112 for annual periods beginning on or after 1 January 2017
Amendments to IND AS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses	1 January 2017
Amendments to IND AS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	1 January 2017

for the year ended 31 March 2017 (continued) (In Indian Rupees)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: ▪ there is consideration that is denominated or priced in a foreign currency; ▪ the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and ▪ the prepayment asset or deferred income liability is non-monetary.	1 January 2018
Amendments to IND AS 102 *Share Based Payment* regarding classification and measurement of share based payment transactions	1 January 2018
Amendments to IND AS 104 *Insurance Contracts*: Relating to the different effective dates of IND AS 109 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IND AS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	1 January 2018
Amendments to IND AS 107 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IND AS 109.	When IND AS 109 is first applied
IND AS 107 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IND AS 109.	When IND AS 109 is first applied
IND AS 109 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014): IND AS 109 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IND AS 109 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 IND AS 109 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.	1 January 2018

Notes to the separate financial statements for the year ended 31 March 2017 (continued) (In Indian Rupees)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
IND AS 109 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014): (continued)	1 January 2018

A finalised version of IND AS 109 which contains accounting requirements for financial instruments, replacing IND AS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- ***Classification and measurement:*** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IND AS 109 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IND AS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- ***Impairment:*** The 2014 version of IND AS 109 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.
- ***Hedge accounting:*** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- ***Derecognition:*** The requirements for the derecognition of financial assets and liabilities are carried forward from IND AS 39.

IND AS 115 *Revenue from Contracts with Customers*	1 January 2018

In May 2014, IND AS 115 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 *Revenue*, IND AS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IND AS 115 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:

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
IND AS 115 *Revenue from Contracts with Customers (continued)* • 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 IND AS 115, 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 IND AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 115.	1 January 2018
Amendments to IND AS 115 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018
IND AS 116 *Leases* IND AS 116 specifies how an IND AS 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 IND AS 116’s approach to lessor accounting substantially unchanged from its predecessor, IND AS 17.	1 January 2019
Amendments to IND AS 110 *Consolidated Financial Statements* and IND AS 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 as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the separate financial statements of the Establishment in the year of initial application.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

3. Summary of significant accounting policies

Statement of compliance

The separate financial statements are prepared in accordance with International Financial Reporting Standards (IND AS).

Basis of preparation

The separate 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. 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.

3. Summary of significant accounting policies (continued)

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 IND AS 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 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 (AED), 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 settlement of monetary items, and on the translation of monetary items, are included in profit or loss.

3. Significant accounting policies (continued)

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.

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.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (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 other receivables 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 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.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets (continued)

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.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

4. 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 separate financial statements, and that has the most significant effect on the amounts recognized in the separate financial statements.

Revenue recognition

Management considered the detailed criteria for the recognition of revenue from sale of goods as set out in IND AS 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.

Control over subsidiaries

In certain cases, the control exercised by the Establishment over subsidiaries results from informal agreements between the shareholders. Management have considered each such case and determined whether in their judgment, effective and continuing control is achieved in practice.

As discussed in Note 1 to the separate financial statements certain entities are considered to be subsidiaries of the Establishment even though the Establishment has only 50% or less of the ownership interest and/or voting rights. Management have assessed whether or not the Establishment has control over such entities based on whether the Establishment is exposed to or has rights to variable returns from its involvement and has the practical ability to direct the entities' relevant activities unilaterally such as to provide it with the power to affect its returns. In making their judgment, the management has considered the following:

- the Establishment's absolute size of holding in such entities and the relative size and dispersion of the shareholdings owned by the other shareholders;
- the Establishment's control over and ability to direct the key management and operational staff;
- extent of reliance of the Establishment on other shareholders to generate business and the Establishment's ability to serve alternative sources of revenue, if required; and,
- operational expertise of the Establishment on which the investor relies in the locations where the entities operate.

After assessment, the management has concluded that the Establishment has exhibited sufficient practical ability to direct the relevant activities of such entities and therefore the Establishment has control over them.

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.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

4. Critical accounting judgment and key sources of estimation uncertainty

Key sources of estimation uncertainty (continued)

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.

5. Property and equipment

Description	Office Equipments	Computers	Total
Cost			
As at 01.04.16	13,21,896	54,780	13,76,676
Additions	-	1,83,653	1,83,653
Assets of Subsidiaries acquired	-	-	-
Disposal	-	-	-
Translation adjustments	(28,032)	(6,958)	(34,990)
As at 31.03.17	**12,93,864**	**2,31,475**	**15,25,339**
Accumulated Depreciations			
As at 01.04.16	2,69,868	18,957	2,88,826
Additions	2,67,194	35,221	3,02,415
Assets of subsidiaries acquired	-	-	-
Disposals	-	-	-
Disposal of Assets of EA			-
Translation adjustments	(14,156)	(1,514)	(15,670)
As at 31.03.17	**5,22,906**	**52,665**	**5,75,571**
Carrying Amount			
As at 01.04.16	**10,52,028**	**35,822**	**10,87,850**
As at 31.03.17	**7,70,958**	**1,78,810**	**9,49,768**

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

6. Intangible assets

Particulars	Software	Total
Cost		
As at 01.04.16	-	-
Additions	8,03,960	8,03,960
Assets acquired on acquisition	-	-
Disposals	-	-
Translation adjustment	(25,374)	(25,374)
As at 31.03.17	**7,78,586**	**7,78,586**
Accumulated Depreciation		
As at 01.04.16	-	-
Additions	22,752	22,752
Disposals	-	-
Translation adjustment	(718)	(718)
As at 31.03.17	**22,033**	**22,033**
Carrying Amount		
As at 01.04.16	**-**	**-**
As at 31.03.17	**7,56,552**	**7,56,552**

7. Investments in subsidiaries

Particulars	**31-Mar-17**	**31-Mar-16**
Investment in Subsidiary	167,22,993	143,79,675
Total	**167,22,993**	**143,79,675**

Movement of Investment in Subsidiary

Particular	**31-Mar-17**	**31-Mar-16**
Balance as at Beginning of the year	143,79,675	152,81,550
Loss on liquidation of a subsidiary	-	(8,90,231)
Investment in Subsidiary	27,34,558	-
CTA	(3,91,241)	(11,644)
Balance as at the end of the year	167,22,993	143,79,675

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

7. Investments in subsidiaries (Continues)

The details of the investments in subsidiaries are as follows:

Ensure Services Ghana Limited [g]	64,97,040	66,37,800
Ensure Middle East Trading (LLC) [b]	52,96,500	54,11,250
Ensure Technical Services Morocco Limited (Sarlau)	8,12,130	8,29,725
Ensure Technical Services Kenya Limited [c]	7,79,645	7,96,536
Ensure Services Uganda Limited [e]	6,48,821	6,62,878
Ensure Technical Services Tanzania Limited [d]	40,607	41,486
Ensure Digital FZ LLC [i]	0	0
Ensure Middle East Technology Solutions LLC	26,48,250	0
Total	167,22,993	143,79,675

8. 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 (IND AS) 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:

Due from related parties

Particulars	31-Mar-17	31-Mar-16
Parent Company	-	5706,75,800
Entities under common ownership or control		7804,61,124
Total	-	**5706,75,800**

Due to related parties

Particulars	31-Mar-17	31-Mar-16
Entities under common ownership or control	-	12912,04,228
Total	-	**12912,04,228**

The amounts due from/to related parties are current, interest-free, unsecured and have no fixed repayment period.

b) The following is the summary of transactions with related parties, which are included in the separate financial statements:

Paticular	**31-Mar-17**	**31-Mar-16**
Sales		267,93,258
Purchases	-	322,49,340
Investment in subsidiaries		-
Management fee income	-	796,71,755
Reimbursement of labour expenses	-	473,99,839
Transfer of provision for employees' end-of-service indemnity	-	31,42,728
Transfer of intangible assets to/from a related party	-	906,63,826

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

Management fee income relates to fees charged by the Establishment to its subsidiary, Ensure Middle East Trading (LLC). Based on discussions between the parties, the Establishment can charge maximum of 8% (2016:6%) of total sales of the subsidiary as management fee.

c) Key management compensation

Key management compensation is paid by the Parent Company and is not recharged to the Establishment.

9. Trade and Other Receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	901,49,537	437,57,334
(c) Receivables from releted parties	18769,67,261	13511,36,924.48
Total Trade and other receivable	**19671,16,799**	**13948,94,258**

10. Other Financial Asset

Particulars	31-Mar-17	31-Mar-16
Advances to suppliers and others	8,87,023	8,07,611
Deposits	59,30,032	61,69,907
Total	**68,17,055**	**69,77,518**

11. Other Current Assets

Particulars	31-Mar-17	31-Mar-16
Advances to Employees	33,79,502	14,93,000
Prepayments	12,51,828	18,66,971
Total	**46,31,330**	**33,59,971**

12. Cash and cash equivalents

Particulars	31-Mar-17	31-Mar-16
(a) Balances with banks		
(i) In current accounts	5,02,179	6,59,325
Total	**5,02,179**	**6,59,325**

13. Share capital

	2017 INR	2016 INR
Authorised, issued and fully paid up share capital		
	17,655,000	18,037,500

14. Provision for Gratuity

Particulars	31-Mar-17	31-Mar-16
Balance at April 1, 2016	**288,25,639**	**203,50,382**
Charge for this year	35,89,891	40,52,046
Transfer from a related party	-	31,42,728
Less: Payments in the year	8,17,833	36,090
Currency translation adjustment	(6,98,763)	12,75,465
Balance at March 31, 2017	**308,98,934**	**256,41,803**

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

15. Trade and other payables

Particulars	31-Mar-17	31-Mar-16
Trade Payables	284,08,996	214,83,131
Due to related parties	18377,18,537	12912,04,228
Total Trade Payables	**1866127533**	**1312687360**

16. Other Current Liability

Particulars	31-Mar-17	31-Mar-16
(a) Creditors for other liabilities	153,26,923	46,60,619
Other Liabilities	118,19,475	34,50,610
Total	**271,46,399**	**81,11,229**

17. Employee Benifit

Particulars	31-Mar-17	31-Mar-16
Salaries	1001,69,838	750,59,914
Total	**1001,69,838**	**750,59,914**

17a. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Rent	39,29,286	90,21,492
Repairs and Maintenance	(1,01,306)	1,18,151
Utilities	3,39,012	27,52,629
Communication	35,04,773	31,73,388
Sales Promotion Expenses	10,34,100	29,34,646
Travelling Expenses	59,56,778	54,83,092
Professional Charges	3,02,424	5,31,592
Exchange Loss Net	(20,41,201)	44,85,410
Bank Charges	2,66,072	1,44,609
Miscellaneous Expenses	19,45,929	512,75,868
Total	**151,35,868**	**799,20,877**

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

18. Operating lease arrangements

The Establishment as a lessee:

Particular	31-Mar-17	31-Mar-16
Minimum lease payments under operating lease recognized as an expense during the year	-	91,39,493

Warehouse and office leases are renewable annually and was paid in advance during the year ended 31 March 2017.

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 separate financial statements.

(b) Categories of financial instruments

Financial Assets	31-Mar-17	31-Mar-16
Loans and receivables (including cash and cash equivalents)	-	14017,23,490
Investments in subsidiaries	-	143,79,675
Total	**-**	**14161,03,165**
Financial liabilities		
At amortized cost	-	13207,98,589

(c) Fair values

The fair value of financial assets and financial liabilities approximate the carrying values as at 31 March 2017 as these are substantially due to be realized within a period of one year in the normal course of the Establishment's business.

20. Financial risk management

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 2017, the Establishment does not have any significant exposure to interest rate risk as it has no variable rate borrowings.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued) (In Indian Rupees)

20. Financial risk management

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 cash flows and matching the maturity profiles of financial assets and 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 discounted cash flows of financial liabilities based on the earliest date on which the Establishment can be required to pay.

Particular	Less Than 1 Year	Total
2017		
Non- interest bearing instruments	-	
2016		
Non- interest bearing instruments	13207,98,589	13207,98,589

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 Establishment can collect:

Particular	Less than 1 Year	Greater that1 Year	Total
2017			
Non- interest bearing instruments			
2016			
Non- interest bearing instruments	14017,23,490	143,79,675	14161,03,165

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.

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 retained earnings and to have a zero leverage of debt financing.

22. Approval of financial statements

The separate financial statements for the year ended 31 March 2017 were approved and signed by the Director

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23. General

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

Ensure Middle East Trading L.L.C.
Dubai - United Arab Emirates

Reports and financial statements
for the year ended 31 March 2017

Ensure Middle East Trading L.L.C.

Table of contents

MANAGER'S REPORT

The Manager has pleasure in submitting its report and the audited financial statements for the year ended 31 March 2017.

Incorporation and registered offices

Ensure Middle East Trading L.L.C. (the 'Company') was incorporated on 9 October 2012 as a limited liability company.

The registered address of the Company is P.O. Box 12816, Dubai, United Arab Emirates.

Principal activities

The principal activities of the Company are providing IT hardware support and maintenance services, and trading of computer equipment requisites.

Financial position and results

The financial position and results of the Company for the year ended 31 March 2017 are set out in the financial statements.

Share capital

Share capital comprises 300 authorised, issued and fully paid shares

Auditors

The financial statements for the year ended 31 March 2017 have been audited by Deloitte & Touche (M.E.) and, being eligible, offer themselves for reappointment.

INDEPENDENT AUDITOR'S REPORT

The Shareholders
Ensure Middle East Trading L.L.C.
Dubai
United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Ensure Middle East Trading L.L.C., Dubai, United Arab Emirates** (the "Company") which comprise the statement of financial position as at 31 March 2017, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's financial statements in the United Arab Emirates (U.A.E.), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Manager's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Cont'd…

INDEPENDENT AUDITOR'S REPORT (continued)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the articles of association of the Company and U.A.E. Federal Law No. (2) of 2015, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on Other Legal and Regulatory Requirements

As required by the U.A.E. Federal Law No. (2) of 2015, we report that:

- we have obtained all the information we considered necessary for the purposes of our audit;
- the financial statements of the Company have been prepared and comply, in all material respects, with the applicable provisions of the U.A.E. Federal Law No. (2) of 2015;
- the Company has maintained proper books of account;
- the financial information included in the report of the Manager is consistent with the books of account of the Company;
- the Company has not purchased or invested in any shares during the year ended 31 March 2017;
- Note 8 to the financial statements of the Company discloses material related party transactions, the terms under which they were conducted; and,
- based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2017 any of the applicable provisions of the U.A.E. Federal Law No. (2) of 2015 or of its Articles of Association which would materially affect its activities or its financial position as at 31 March 2017.

Deloitte & Touche (M.E.)

Statement of financial position
as at 31 March 2017(In Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	5	244,43,683	332,52,131
Other Intangible assets(Software)	6	5,56,415	6,09,180
Total Non Current Assets		**250,00,098**	**338,61,312**
Current Assets			
Inventories	7	444,30,697	840,14,689
Financial assets			
(i) Trade receivables	9	18159,66,058	21295,23,682
(ii) Cash and bank balances	10	25,30,403	49,05,082
Total Current assets		**18629,27,158**	**22184,43,453**
Total Assets		**18879,27,256**	**22523,04,764**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		52,96,500	54,11,250
Other Equity			
Other reserves		58,81,601	366,92,375
Retained earnings		443,88,752	43,75,153
Equity attributable to the owners of the Company		**555,66,853**	**464,78,777**
Non-Controlling interests		-	-
Total Equity		**555,66,853**	**464,78,777**
Non-Current Liabilities			
Provisions	13	56,47,005	6,24,170
Total Non-current Liabilities		**56,47,005**	**6,24,170**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	14	18267,13,398	22052,01,817
Total Current Liabilities		**18267,13,398**	**22052,01,817**
Total Equity and Liabilities		**18879,27,256**	**22523,04,764**

The accompanying notes form an integral part of these financial statements.

for the year ended 31 March 2017 (In Indian Rupees)

Statement of Comprehensive Income

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations	15	9957,74,417	9952,71,145
(b)Other gain / (losses)	15a	1,28,725	2,62,992
(c) Total Revenue(a+b)		**9959,03,142**	**9955,34,137**
(d) Expenses			
Purchase of traded goods		6322,11,970	6172,31,442
Changes in inventories		395,83,992	522,64,810
Employee Benefits	16	1955,09,682	1506,13,728
Finance Costs		-	-
Depreciation & Amortisation		98,13,489	51,87,838
Other Expenses	16a	1083,82,006	1362,49,570
Total Expenses(d)		**9855,01,140**	**9615,47,388**
Profit before Corporate social responsibility expenditure and Tax		104,02,002	339,86,750
Profit before exceptional items and tax		104,02,002	339,86,750
e.Profit before tax (c-d)		**104,02,002**	**339,86,750**
h.Profit for the Year (e-f-g)		**104,02,002**	**339,86,750**
Total Comprehensive Income for the Year attributable to (h+k)		104,02,002	339,86,750
Profit for the year attributable to the :-			
Shareholders of the Company		104,02,002	339,86,750
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		104,02,002	339,86,750

Ensure Middle East Trading L.L.C.
for the year ended 31 March 2017 (In Indian Rupees)
Statement of Changes of Equity

Particulars	Share capital	Statutory Reserve	Retained earnings	Foreign currency transalation reserve	Total Equity
As at April 2016	54,11,250	27,05,625	339,86,750	43,75,153	46
Profit for the year			104,02,002		10
Dividend paid			-		
Other comprehensive income					
Foreign currency adustment					
Additions during the year		-	-	(13,13,927)	(1
Deduction					
Balance as at March 31, 2017	52,96,500	26,48,250.00	443,88,752	30,61,226	55

The accompanying notes form an integral part of these financial statements.

Ensure Middle East Trading L.L.C.
for the year ended 31 March 2017 (In Indian Rupees)
Cash Flow Statement

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	104,02,002	339,86,750
Adjustments for		
Reversal of allowance for doubtful debts	(21,74,812)	(248,54,727)
Depreciation of property and equipment	95,56,112	51,70,371
Amortisation of intangible asset	2,57,377	17,466
Provision for employees' end-of-service indemnity	72,35,312	64,65,372
Change in Working capital		
Decrease in inventories	412,09,201	596,73,860
Decrease/(increase) in due from related parties	3180,79,576	(1293,81,885)
(Increase)/decrease in trade and other receivables	(409,32,992)	1297,88,186
(Decrease)/increase in due to related parties	(3605,75,897)	49,51,535
Increase/(decrease) in trade and other payables	181,61,364	(467,27,269)
Cash Generated from Operations	**12,17,243**	**390,89,659**
Employees' end-of-service indemnity paid	(21,56,964)	(101,62,643)
Net Cash generated from operating activities	(9,39,722)	289,27,016
Cash flow from investing activity		
Purchase of property and equipment	(11,88,712)	(276,95,738)
Purchase of intangible asset	(2,16,231)	(6,18,782)
Net cash in investing activity	(11,88,712)	(276,95,738)
Net increase in cash and cash equivalents	(21,28,434)	12,31,278
Cash and Cash equivalents at the beginning of the year	49,05,082	41,15,922
Currency transalation asjustment	(2,46,245)	(4,42,119)
Cash and Cash equivalents at the end of the year	**25,30,403**	**49,05,082**

Non-cash transactions:

Transfer of provision for employees' end-of-service indemnity from related parties - net (Note 13)	1,21,852	32,72,506
	==========	==========

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements
for the year ended 31 March 2017

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 authorised 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 ("IFRS")

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

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 April 2016, have been adopted in these consolidated 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.

- IFRS 14 *Regulatory Deferral Accounts.*
- Amendments to IAS 1 *Presentation of Financial Statements* relating to Disclosure initiative.
- Amendments to IFRS 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations.
- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation.
- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture*: Bearer Plants.
- 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.
- 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.
- Annual Improvements to IFRSs 2012 - 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.

2.2 New and revised IFRS in issue but not yet effective

The Company has not yet applied the following new and revised IFRS that have been issued but are not yet effective:

New and revised IFRS	***Effective for annual periods beginning on or after***
Annual Improvements to IFRS Standards 2014 - 2016 Cycle amending IFRS 1, IFRS 12 and IAS 28	The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IFRS 12 for annual periods beginning on or after 1 January 2017

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

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

New and revised IFRS	***Effective for annual periods beginning on or after***
Amendments to IAS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses.	1 January 2017
Amendments to IAS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	1 January 2017
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: ▪ there is consideration that is denominated or priced in a foreign currency; ▪ the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and ▪ the prepayment asset or deferred income liability is non-monetary.	1 January 2018
Amendments to IFRS 2 *Share Based Payment* regarding classification and measurement of share based payment transactions.	1 January 2018
Amendments to IFRS 4 *Insurance Contracts*: Relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IAS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	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: Disclosures* relating to the 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

Notes to the financial statements
for the year ended 31 March 2017 (continued)

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

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

New and revised IFRS	***Effective for annual periods beginning on or after***
IFRS 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014):	1 January 2018

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.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- ***Classification and measurement****:* Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- ***Impairment****:* The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.
- ***Hedge accounting****:* Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- ***Derecognition****:* The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

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

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

New and revised IFRS	***Effective for annual periods beginning on or after***
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018
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.	
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:	
• 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.	
Amendments to IFRS 15 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018
IFRS 16 *Leases*	1 January 2019
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.	
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

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

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

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements of the Company in the year of initial application.

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 and other similar allowances.

Sale of goods

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 Company; and,
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of services

Sale of services represent income generated from providing hardware support, repair and maintenance services and is recognised when the service is rendered.

3. Significant accounting policies (continued)

Revenue (continued)

Warranty income

The Company's Original Equipment Manufacturer ("OEM") generally warrants the products distributed by related parties. 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 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 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 realisable value. Cost includes purchase costs and other related expenses incurred in bringing the inventories to their present condition and location. Cost is calculated using weighted average cost method. Net realisable 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 recognised 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
Computers	3

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 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 equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. Significant accounting policies (continued)

Intangible asset

Cost of software purchased is amortised using the straight-line method over its estimated useful life of 3 years.

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 recognised 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 recognised for the asset (or 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.

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 Rupees (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 (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.

3. Significant accounting policies (continued)

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 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 expense in the period in which they are incurred.

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 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 recognised 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.

Effective-interest method

The effective-interest method is a method of calculating the amortised 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.

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.

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (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 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.

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 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.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

3. Significant accounting policies (continued)

Financial instruments (continued)

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 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 amortised cost using the effective-interest method, with interest expense recognised 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 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.

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 are described in Note 3 to the financial statements, and that has the most significant effect on the amounts recognised 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 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 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

Allowance for doubtful debts is determined 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 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 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 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.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

5. Property and equipment

Description	Furniture & Fixtures	Computers	Vehicles	Total
Cost				
As at 01.04.16	3,52,70,365	4,74,350	65,01,292	4,22,46,008
Additions	8,20,768	3,67,944	-	11,88,712
Assets of Subsidiaries acquired	-	-	-	-
Disposal	-	-	-	-
Translation adjustments	(7,73,842)	(21,672)	(1,37,865)	(9,33,379)
As at 31.03.17	**3,53,17,292**	**8,20,622**	**63,63,427**	**4,25,01,341**
Accumulated Depreciations				
As at 01.04.16	44,53,332	18,939	45,21,604	89,93,876
Additions	76,99,111	2,13,332	16,43,670	95,56,112
Assets of subsidiaries acquired	-	-	-	-
Disposals	-	-	-	-
Disposal of Assets of EA				-
Translation adjustments	(3,37,435)	(7,135)	(1,47,762)	(4,92,331)
As at 31.03.17	**1,18,15,008**	**2,25,137**	**60,17,513**	**1,80,57,658**
Carrying Amount				
As at 01.04.16	**3,08,17,033**	**4,55,411**	**19,79,688**	**3,32,52,131**
As at 31.03.17	**2,35,02,283**	**5,95,486**	**3,45,914**	**2,44,43,683**

Notes to the financial statements
for the year ended 31 March 2017 (continued)

6. Intangible asset

Particulars	Software	Total
Cost		
As at 01.04.16	6,26,875	6,26,875
Additions	2,16,231	2,16,231
Assets acquired on acquisition	-	-
Disposals	-	-
Translation adjustment	(20,118)	(20,118)
As at 31.03.17	**8,22,988**	**8,22,988**
Accumulated Depreciation		
As at 01.04.16	17,695	17,695
Additions	2,57,377	2,57,377
Disposals	-	-
Translation adjustment	(8,499)	(8,499)
As at 31.03.17	**2,66,573**	**2,66,573**
Carrying Amount		
As at 01.04.16	**6,09,180**	**6,09,180**
As at 31.03.17	**5,56,415**	**5,56,415**

7. Inventories

Particulars	**31-Mar-17**	**31-Mar-16**
Trading Stocks	4,44,30,697	8,40,14,689
Total	**44430697**	**8,40,14,689**

8. Related party transactions

a) The Parent Company of the Company is Ensure Gulf FZE. The ultimate controlling party is Redington (India) Limited.

b) The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IAS) 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 of services received from/rendered to related parties as well as on other charges.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

8. Related party transactions (continued)

Due From Related Parties		
Particulars	31-Mar-17	31-Mar-16
Parent Company	1,61,87,51,057	1,65,55,22,407
Entities under common management/control	-	31,30,13,468
Total	**1,61,87,51,057**	**1,96,85,35,874**

Due from Related Parties		
Particulars	31-Mar-17	31-Mar-16
Entities under common management/control	1,73,66,56,126	2,13,11,62,642
Total	**1,73,66,56,126**	**2,13,11,62,642**

c) At the reporting date, balances with related parties were as follows:

The outstanding balance of due from/to related parties are current, unsecured, interest-free and have no fixed repayment period.

c) The following is a summary of transactions with related parties, which are included in the financial statements:

Paticular	31-Mar-17	31-Mar-16
Sale of services		
Purchases	-	23,28,24,261
Management fee expense (Note 16)		
Recharge of staff salaries and benefits (Note 16)	-	10,90,52,504
Recharge of end-of-service indemnity	2,86,25,022	2,81,94,499
Transfer of provision for employees' end-of-service indemnity from a related party (Note 13)	-	80,60,470
Transfer of provision for employees' end-of-service indemnity to a related party (Note 13)	(1,21,834)	(47,87,964)

d) Management fee expense relates to fees charged by the Parent Company. Based on discussions between the parties, the Parent Company can charge maximum of ….% (2016: 8%) of total sales of the Company as management fee. As at 31 March 2017, management is still in the process of completing the formalisation of the agreement.

e) Key management remunerations

Key management remunerations are paid by Redington Gulf FZE, intermediate parent company, and are not recharged to the Company.

Notes to the financial statements for the year ended 31 March 2017 (continued)

9. Trade and other receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	1353,43,883	987,44,201
(b) Other Trade receivables		-
Considered good	740,89,119	767,61,341
Total Trade and other receivable	**18159,66,058**	**21295,23,682**

The management considers that the carrying amount of trade and other receivables approximates their fair value.

The average credit period for customers is …. days (2016: 35 days). No interest is charged on past due trade receivables.

Of the trade receivables balance at the end of the year, 1 customer (no customer whose balance represents more than 5% in 2016), represents more than 5% of the total balance of trade receivables.

Ageing of past due but not impaired:

Particular	31-Mar-17	31-Mar-16
Overdue by		
1 - 30 days	236,75,443	275,76,884
31 - 60 days	144,19,015	332,02,546
61 - 90 days	117,26,945	42,80,425
Over 90 days	636,03,656	210,10,080

Movement in the allowance for doubtful debts:

Particulars	31-Mar-17	31-Mar-16
Balance at the beginning of the year	145,17,734	495,98,606
(Reversal of allowance)/allowance during the year	(21,74,812)	(248,54,727)
Written-off during the year	1,18,024	(127,15,309)
CTA	(1,24,921)	(102,26,145)
Balance at the end of the year	122,18,002	145,17,734

Notes to the financial statements
for the year ended 31 March 2017 (continued)

9. Trade and other receivables (continued)

In determining the recoverability of a trade receivable, the Company considers changes 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 management believes that there is no further allowance required in excess of the allowance for doubtful debts.

Ageing of impaired trade receivables:

Particular	31-Mar-17	31-Mar-16
Ageing of Impaired Trade Receivables		
Overdue by:		
Over 90 days	122,18,002	145,17,734

10. Cash and cash equivalents

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	3,49,463	7,46,987
(b) Balances with banks		
(i) In current accounts	21,80,940	41,58,095
Total	**25,30,403**	**49,05,082**

11. Share capital

	2017 INR	2016 INR
Authorised, issued and fully paid up:	**52,96,500**	**54,11,250**

12. Statutory reserve

Statutory reserve is created by allocating 10% of the net profit for the year of the Company as required by Article 255 of the U.A.E. Federal Commercial Companies Law No. (2) of 2016, until the reserve reached at least 50% of its paid-up share capital. The reserve is not available for distribution except as provided in the U.A.E. Federal Commercial Companies Law.

13. Provision for employees' end-of-service indemnity

Particulars	31-Mar-17	31-Mar-16
Balance at April 1, 2016	**6,24,170**	**9,94,714**
Charge for this year	72,35,312	64,65,372
Transfer from Related Party	1,21,852	32,72,506
Less: Payments in the year	(21,56,964)	(101,62,643)
Currency translation adjustment	(1,77,364)	54,220
Balance at March 31, 2017	**56,47,005**	**6,24,170**

Notes to the financial statements
for the year ended 31 March 2017 (continued)

14. Trade and other payables

Trade and other payables		
Particulars	**31-Mar-17**	**31-Mar-16**
(a) Trade Payables	90,057,272	74,039,176
Due to related parties	1,736,656,126	2,131,162,642
Total Trade Payables	**1,826,713,398.35**	**2,205,201,817.16**

15. Revenue

Particulars	31-Mar-17	31-Mar-16
Sales	2421,89,493	2832,11,500
Service Income	7535,84,924	7120,59,645
Total	**9957,74,417**	**9952,71,145**

15a. Other Income

Particulars	31-Mar-17	31-Mar-16
Other Non operating income	1,28,725	2,62,992
Total	**1,28,725**	**2,62,992**

16. Employee Benefit Expenses

Particulars	31-Mar-17	31-Mar-16
Salaries	1955,09,682	1506,13,728
Total	**1955,09,682**	**1506,13,728**

16a. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Rent	247,33,254	293,45,300
Repairs and Maintenance	30,07,284	97,16,263
Utilities	175,44,466	161,91,820
Insurance	1,27,959	54,073
Sales Promotion Expenses	19,06,060	1,10,495
Travelling Expenses	207,24,538	205,97,430
Professional Charges	14,57,446	7,54,916
Exchange Loss Net	4,75,357	(56,94,147)
Bank Charges	37,16,410	39,24,404
Miscellaneous Expenses	346,89,232	612,49,016
Total	**1083,82,006**	**1362,49,570**

Notes to the financial statements
for the year ended 31 March 2017 (continued)

17. Operating lease arrangements

The Company as a lessee:

Particular	31-Mar-17	31-Mar-16
Minimum lease payments under operating lease recognised as expense in the period	239,52,627	297,29,137

18. 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*

Particular	Less Than One Year	Total
2017		
Non Interest Bearing Instruments	1,793,193,615.35	1,793,193,615.35
2016		
Non Interest Bearing Instruments	2,120,740,898.74	2,120,740,898.74

c) *Fair Value*

The fair value of financial assets and financial liabilities approximates their carrying values as of 31 March 2017 as all these financial assets and financial liabilities are currently due to be realised and settled within a period of one year in the normal course of the Company's business.

19. 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. 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 2017, the Company does not have any significant exposure to interest rate risk.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

19. Financial risk management (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.

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.

Particular	Less Than One Year	Total
2017		
Non Interest Bearing Instruments	1,809,461,126.55	1,809,461,126.55
2016		
Non Interest Bearing Instruments	2,197,399,371.86	2,197,399,371.86

The following table details the Company's remaining contractual maturity for its non-derivative financial assets. The table has been drawn up based on the cash flows of financial assets based on the earliest date on which the Company can collect:

c) Credit risk management

Financial assets, which potentially expose the Company to concentrations of credit risk, comprise principally of bank accounts, amounts due from related parties and trade and other receivables. The Company has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses its own trading records to rate its major customers. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management regularly, and the Company maintains an allowance for doubtful debts based on expected collectability of all trade receivables.

The credit risk on liquid funds is limited because the counterparties are reputable banks with high credit-ratings which are registered in the U.A.E.

Further details of credit risk on trade receivables are discussed in Note 9 to the financial statements.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

20. 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.

21.Presentation currency:

All figures are in Indian rupees unless otherwise stated

22.Approval of financial statements

The financial statements for the year ended 31 March 2017 were approved and signed by the Manager on behahlf of the shareholders.

ENSURE SOLUTIONS NIGERIA LIMITED

FINANCIAL STATEMENTS
31 MARCH 2017

ENSURE SOLUTIONS NIGERIA LIMITED

STATEMENT OF THE DIRECTORS' RESPONSIBILITY
FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

In accordance with the provisions of the Companies and Allied Matters Act, the Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Company at the end of the year and its profit or loss and other comprehensive income.

The responsibilities include ensuring that:

i. The Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act;

ii Appropriate and adequate internal controls are established to safeguard its assets and to prevent and detect fraud and other irregularities;

iii The Company prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied; and

iv It is appropriate for the financial statements to be prepared on a going concern basis.

The Directors accept responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters 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 profit and cash-flows for the year.

The Directors further accept responsibility for the maintenance of accounting records that 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 twelve months from the date of this statement.

Signed on behalf of the Board of Directors by:

___________________________	___________________________
Raj Shankar	**Sriram Ganeshan**
Managing Director	**Director**
Dated: --- May 2017	**Dated: --- May 2017**

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ENSURE SOLUTIONS NIGERIA LIMITED

Opinion

We have audited the financial statements of **Ensure Solutions Nigeria Limited**, which comprise the statement of financial position at 31 March 2017, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IND ASs) in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and with the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and Statement of Directors Responsibility but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and those charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Benson Adejayan.

Benson O. Adejayan, FCA
FRC/2013/ICAN/02226
For: **PKF Professional Services**
Chartered Accountants
Lagos, Nigeria

ENSURE SOLUTIONS NIGERIA LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017(In Indian Rupee)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	8	31,40,071	63,10,700
Other Intangible assets(Software)	8a	1,80,674	4,32,839
Total Non Current Assets		**33,20,746**	**67,43,540**
Current Assets			
Inventories	10	78,39,802	175,32,060
Financial assets			
Trade receivables	11	643,56,692	1514,39,183
Cash and bank balances	13	164,82,257	52,20,179
Other Current Assets		10,90,451	61,57,771
Total Current assets		**897,69,202**	**1803,49,194**
Total Assets		**930,89,948**	**1870,92,734**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		2,11,700	3,33,200
Other Equity			
Other reserves		22,03,541	62,27,603
Retained earnings		89,55,090	55,68,599
Equity attributable to the owners of the Company		**113,70,331**	**121,29,403**
Non-Controlling interests		-	-
Total Equity		**113,70,331**	**121,29,403**
Current Liabilities			
Financial Liabilities			
Trade and other payables	15	786,46,432	1660,89,398
Provisions	16	9,62,893	28,75,849
Deffered Tax Liabilities		5,20,516	18,27,856
Other Current Liablities	15a	15,89,775	41,70,228
Total Current Liabilities		**817,19,616**	**1749,63,331**
Total Equity and Liabilities		**930,89,947**	**1870,92,734**

The financial statements were approved by the Board of Directors on **--- May 2017** and signed on its behalf by:

___________________________ ________________________

Raj Shankar
Managing Director

Sriram Ganeshan
Director

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations		1366,49,871	1514,48,889
(b)Other gain / (losses)		20,19,990	60,35,737
(c).Total Revenue(a+b)		**1386,69,861**	**1574,84,625**
d.Expenses			
Purchase of traded goods		800,74,040	216,66,812
Changes in inventories		96,92,259	594,25,216
Employee Benefits	19	164,61,911	207,42,615
Depreciation & Amortisation		32,91,220	32,80,092
Other Expenses	19	243,98,409	423,44,010
Total Expenses(d)		**1339,17,839**	**1474,58,745**
Profit before Corporate social responsibility expenditure and Tax		47,52,023	100,25,880
Profit before exceptional items and tax		47,52,023	100,25,880
e.Profit before tax (c-d)		**47,52,023**	**100,25,880**
Income Tax expense:			
Current tax		(18,49,895)	(50,12,608)
Prior year tax provisions written back		(1,97,121)	-
Deferred tax		7,45,672	4,91,140
h.Profit for the Year (e-f-g)		**34,50,678**	**55,04,412**
(j)Items that will not be subsequently classified to Profit and loss			
Remeasurement of Defined benefit obligation		8,12,671	-
k.Total Other comprehensive income(i+j)		8,12,671	-
Total Comprehensive Income for the Year attributable to (h+k)		42,63,349	55,04,412
Profit for the year attributable to the :-			
Shareholders of the Company		34,50,678	55,04,412
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		42,63,349	55,04,412

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these financial statements.

ENSURE SOLUTIONS NIGERIA LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	Share capital	Deposit For Share	Retained earnings	Foreign currency transalation reserve	Total Equity
As at April 2016	3,33,200	7,23,191	55,04,412	55,68,599	1,21,29,403
Profit for the year			34,50,678		34,50,678
Dividend paid			-		-
Other comprehensive income					-
Foreign currency adustment					-
Additions during the year		-	-	(42,09,749)	(42,09,749)
Deduction					-
Balance as at March 31, 2017	2,11,700	4,59,482.57	89,55,090	13,58,850	1,13,70,331

The accompanying explanatory notes and significant accounting policies form an integral part of these financial statements.

ENSURE SOLUTIONS NIGERIA LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	47,52,023	100,25,880
Adjustments for		
Depreciation: Property, plant and equipment	31,81,453	32,67,681
Amortisation Intangible asset	1,09,767	12,411
Gain on disposal of property,plant and equipment	(1,94,650)	-
Cash generated from/(used in) operating activities	78,48,592	133,05,972
Income tax paid	(32,80,217)	(37,14,207)
Net cash from/(used in) operating activities	124,16,966	228,97,737
Cash flow from operating activity	**248,33,932**	**457,95,474**
Net Cash flow from operating activity	248,33,932	457,95,474
Cash flow from investing activity		
Proceeds from disposal of property and equipment	(21,72,154)	(2,91,358)
Purchases of property and equipment	-	(4,39,595)
Investment in an associate	1,97,071	-
Net cash in investing activity	(19,75,083)	(7,30,952)
Net increase in cash and cash equivalents	228,58,849	450,64,522
Cash and Cash equivalents at the beginning of the year	52,20,179	99,50,229
Currency transalation asjustment	(115,96,772)	(497,94,571)
Cash and Cash equivalents at the end of the year	**164,82,257**	**52,20,179**

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these financial statements.

ENSURE SOLUTIONS NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. The Company

1.1 Legal form

Ensure Solutions Nigeria Limited was incoporated as a limited liability company on 07 January 2013 and formally commenced business in July 2013. Ensure Gulf FZE is the parent company with 99% shareholding.

1.2 Principal activities

The Company is engaged in the business of maintenance and service of IT products including computer and telephone.

2. Basis of preparation

2.1 Statement of compliance with IND ASs

The Company's financial statements for the year ended 31 March 2017 have been prepared in accordance with International Financial Reporting Standards (IND ASs) as issued by the IASB. Additional information required by local regulations is included where appropriate.

2.2 Basis of measurement

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial instruments measured at fair value and the company's defined benefit plan measured by an actuary.

The preparation of financial statements in conformity with IND AS requires the use of certain critical accounting estimates, it also requires management to exercise its judgment in the process of applying the company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the company's financial statements present the financial position and results fairly.

2.3 Functional and presentational currency

The financial statements are presented in INR, which is the Company's presentational currency. The financial statements 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 are expressed in INR, which is the functional currency of the Company, and the presentational currency for the financial statements.

3. Summary of new and amended standards issued and effective during the years

3.1 New standards, amendments and interpretations issued but not yet effective

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but not yet effective: This includes:

3.1.1 Amendments effective from annual periods beginning on or after 1 January 2017

a Amendments to IND AS 112 Disclosure of Interests in Other Entities

This amendment clarifies the scope of the standard by specifying that the dis-clo-sure re-quire-ments in the standard, except for those in para-graphs B10–B16, apply to an entity's interests listed in paragraph 5 that are clas-si-fied as held for sale, as held for distribution or as discontinued operations in accordance with IND AS 105 Non-current Assets Held for Sale and Discontinued Operations.

b Amendments to IND AS for SMEs

Three amendments are however of larger impact:

- The standard now allows an option to use the revaluation model for property, plant and equipment as not allowing this option has been identified as the single biggest impediment to adoption of the IND AS for SMEs in some jurisdictions in which SMEs commonly revalue their property, plant and equipment and/or are required by law to revalue property, plant and equipment;

- The main recognition and measurement requirements for deferred income tax have been aligned with current requirements in IND AS 12 Income Taxes (in developing the IND AS for SMEs, the IASB had already anticipated finalization of its proposed changes to IND AS 12, however, these changes were never finalized); and

- The main recognition and measurement requirements for exploration and evaluation assets have been aligned with IND AS 6 Exploration for and Evaluation of Mineral Resources to ensure that the IND AS for SMEs provides the same relief as full IND ASs for these activities.

c Amendments to IND AS 7 Statement of Cash Flows

This amendment to IND AS 7 clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

d Amendments to IND AS 12 Income Taxes

Amends to recog-ni-tion of deferred tax assets for unrealized losses, IND AS 12 Income Taxes clarify the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

3.1.2 Amendments effective from annual periods beginning on or after 1 January 2018

a Amendments to IND AS 102 Share-based Payment

Amends IND AS 102 Share-based Payment to clarify the standard in relation to the accounting for cash settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

b Amendments to IND AS 104 Insurance Contracts

Amends IND AS 104 Insurance Contracts provide two options for entities that issue insurance contracts within the scope of IND AS 104:

- An option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so called overlay approach;

- An optional temporary exemption from applying IND AS 109 for entities whose pre-dominant activity is issuing contracts within the scope of IND AS 104; this is the so-called deferral approach.

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

c Amendments to IND AS 115 'Revenue from Contracts with Customers

IND AS 115 provides a single, principles based five step model to be applied to all contracts with customers. The five steps in the model are as follows:

- Identify the contract with the customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contracts
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

Amends IND AS 115 Revenue from Contracts with Customers also clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

d Amendments to IND AS 109 Financial Instruments

A finalized version of IND AS 109 which contains accounting requirements for financial instruments, replacing IND AS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IND AS 109 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IND AS 39; however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IND AS 109 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Derecognition. The requirements for derecognition of financial assets and liabilities are carried forward from IND AS 39.

e Amendments to IND AS 40 Investment Property

Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management’s intentions for the use of a property by itself does not constitute evidence of a change in use. The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.

f Amendments to IND AS 101 First-time Adoption of International Financial Reporting Standards

Amendments’ resulting from Annual Improvements 2014–2016 Cycle, the amendment deletes the short-term exemptions in paragraphs E3–E7 of IND AS 101, because they have now served their intended purpose.

g Amendments to IND AS 28 Investments in Associates and Joint Ventures

This amendment Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment by investment basis, upon initial recognition.

3.1.3 Amendments effective from annual periods beginning on or after 1 January 2019

a IND AS 116 'Leases'

Effective for an annual periods beginning on or after 1 January 2019

- New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IND AS 7 Statement of Cash Flows;

- IND AS 116 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that lease;
- IND AS 116 substantially carries forward the lessor accounting requirements in IND AS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently;
- IND AS 116 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk;
- New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IND AS 7 Statement of Cash Flows;

- IND AS 116 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee.
- IND AS 116 substantially carries forward the lessor accounting requirements in IND AS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
- IND AS 116 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.
- IND AS 116 supersedes the following Standards and Interpretations:
  a) IND AS 17 Leases;
  b) IFRIC 4 Determining whether an Arrangement contains a Lease;
  c) SIC-15 Operating Leases—Incentives; and
  d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

3.1.4 New standards, amendments and interpretations issued but without an effective date

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but without an effective: This includes:

a Amendments to IND AS 109 Financial Instruments

IND AS 109 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 recognized in profit or loss;
- All other instruments (including all derivatives) are measured at fair value with changes recognized 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.

Also a revised version of IND AS 109 incorporating requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IND AS 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.

b Amendments to IND AS 110 and IND AS 28 Consolidated Financial Statements and Investments in Associates and Joint Ventures

Amends IND AS 110 Consolidated Financial Statements and IND AS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- Require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IND AS 103 Business Combinations).
- Require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

4. Summary of significant accounting policies

The significant accounting policies set out below have been applied consistently to allyears presented in these financial statements.

4.1 Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation less accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

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 Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

4.2 Depreciation of property, plant and equipment

Depreciation starts when an asset is ready for use and ends when derecognised or classified as held for sale. Depreciation does not cease when the asset becomes idle or retired from use unless the asset is fully depreciated. Depreciation is calculated on a straight-line basis to write-off assets over their estimated useful lives. Land and assets under construction (work in progress) are not depreciated.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Class of assets	%
Furniture and fittings	20
Motor vehicles	33 $/_{3}$
Office equipment	20
Computers	$33^{1}/_{3}$
Networking and warehouse equipment	$33^{1}/_{3}$

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement as operating income.

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4.2.1 Intangible assets

Intangible assets comprise computer software purchased from third parties. They are initially measured at cost and subsequent carried at amortised cost less accumulated amortisation. Purchased computer software is capitalised on the basis of costs incurred to acquire and bring into use the specific software. These costs are amortised at 33.3% on a yearly basis over the useful life of the asset.

Expenditure that enhances and extends the benefits of computer software beyond their original specifications and lives, is recognized as a capital improvement cost and is added to the original cost of the software. All other expenditure is expensed as incurred.

Amortisation is recognized in the income statement on a percentage basis over the estimated useful life of the software, from the date that it is available for use. The residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An intangible asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The estimated useful lives for the current and comparative period are as follows:

Computer software	33.30%	3 years

4.3 Inventories

Inventories are measured at the lower of cost and net realisable value on First-in-First-Out cost basis after making adequate provision 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 the invoice price.

4.4 Financial instruments

Financial instruments carried at statement of financial position date include receivables, cash and cash equivalents, and payables. Financial instruments are recognised initially at fair value, plus, any directly attributable transaction costs except for financial instruments classified as at fair value through profit or loss, which are initially measured at fair value excluding transaction cost.

4.4.1 Financial assets

The Company classifies its financial assets into the following categories:

a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception.

A financial asset is classified into the 'financial assets at fair value through profit or loss' category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management. Derivatives are also classified as held for trading unless they are designated as hedges.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Company intends to sell in the short term or that are designated as at fair value through profit or loss or available for sale. Receivables arising from insurance contracts are also classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables.

c) Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity, other than:

- those that the Company upon initial recognition designates as fair value through profit or loss;
- those that the Company designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Interests on held-to-maturity investments are included in the income statement and are reported as 'Interest and similar income'. In the case of an impairment, it is been reported as a deduction from the carrying value of the investment and recognised in the income statement as 'Net gains/(losses) on investment securities'.

d) Available-for-sale financial assets

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Recognition and measurement

Regular way purchases and sales of financial assets are recognized on trade-date on which the Company commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or losses are initially recognized at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognized when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to- maturity financial assets are carried at amortised cost using the effective interest method.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Company's right to receive payments is established. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in other comprehensive income are included in the income statement as net realised gains or losses on financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Company's right to receive payments is established.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

Reclassifications

Financial assets are permitted to be reclassified out of the held-for-trading category to loans and receivables but may also be reclassified out of the held-for-trading category to held-to-maturity and available-for-sale categories only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Company may choose to reclassify financial assets that would meet the definition of loans and receivables or held-to-maturity out of the held-for-trading or available-for-sale categories if the Company has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

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4.4.2 Impairment of financial assets

Financial assets carried at amortised cost

The Company assesses at each end of the reporting period whether there is objective evidence that a financial asset or company of financial assets is impaired. A financial asset or company of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or company of financial assets that can be reliably estimated. Objective evidence that a financial asset or company of assets is impaired includes observable data that comes to the attention of the Company about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or Observable data indicating that there is a measurable decrease in the estimated future cash flow from a company of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Company.

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 (such as improved credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

4.4.3 Financial liabilities

The company's financial liabilities at statement of financial position date include 'payables'. These financial liabilities are subsequently measured at amortised cost using the effective interest method except where the effect of amortization is not material. Financial liabilities are included in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

4.4.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.5 Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term. Cash and cash equivalents form part of the company's financial assets.

4.6 Trade and other receivables

Trade and other receivables are stated at their original invoiced value, as the interest that would be recognized from discounting future cash receipts over the short credit period is not considered to be material. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue trade receivables is recognized as it accrues. Trade and other receivables form part of the company's financial assets.

Allowance for doubtful accounts is based on a periodic review of all outstanding amounts, where significant doubt about collectability exists, including an analysis of historical bad debts, customers concentrations, customers credit worthiness, current economic trends and changes in customer's payment terms. Bad debts are written off when identified as uncollectible, and are included within other operating expenses.

4.7 Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Other payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material. Trade and other payables form part of the company's financial liabilities.

4.8 Revenue

Revenue represents income arising from the ordinary activities of the company. Revenue is the net value of goods delivered and services rendered to customers during the year. Revenue is recognised when the risks and rewards of ownership of the goods are transferred to customers which usually is on delivery of goods, when services are rendered to the customers, the amount of revenue and its associated costs can reliably be measured, and collectability of economic benefits is highly probable.

4.8.1 Investment income

Investment income comprises of dividend, interest, movement in amortized cost on debt securities and other loan and receivables, realized gains and losses, and unrealized gains and losses on fair value assets. Dividends on ordinary shares are appropriated from retained earnings in the period they are approved by the Company's Shareholders.

Dividends proposed by the Directors' but not yet approved by Shareholders are only disclosed in the financial statements.

4.90 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Income is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

4.9.1 Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

4.9.2 Interest expense

Interest expense on bank overdrafts, related party loans, borrowings and impairment losses recognised on financial liabilities are included under finance costs of the company.

4.9.3 Realised gains and losses

The realized gains or losses on the disposal of an investment is the difference between proceeds received net of transaction costs and its original or amortised costs as appropriate.

4.10 Cost of sales

Cost of sales comprise costs of inventories sold and costs directly incurred in the rendering of services to earn revenue.

4.11 Taxation

Income tax for the year is based on the taxable income for the year. Taxable income differs from profit as reported in the statement of comprehensive income for the period as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods.

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4.11.1 Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the company operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

4.11.2 Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, 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. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 reporting date.

The carrying amount of the deferred tax assets are reviewed at each statement of financial position 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 asset to be recovered.

4.11.3 Value added tax

Non-recoverable VAT paid in respect of an item of non capital nature is written off to Statement of Comprehensive Income. Non-recoverable VAT paid in respect of property, plant and equipment is capitalized as part of the cost of the assets. The net amount owing to or due from the tax authority is included in payables or receivables.

4.11.4 Withholding tax

The withholding tax credit is set off against income tax payable. Tax credits, which are considered irrecoverable, are written off as part of the tax charge for the year.

4.11.5 Capital gains tax

Capital gains tax is included in the tax expense for the period to which it relates.

4.12 Employee benefits

4.12.1 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value. In relation to the defined contribution plan, the Company has in place the Pension fund scheme.

Pension fund scheme

In accordance with the revised provisions of the Pension Reform Act, 2014he Company has instituted a Contributory Pension Scheme for its employees, where both the employees and the Company contribute 10% and 8% respectively of the employee emoluments (basic salary, housing and transport allowances). The Company's contribution under the scheme is charged to the income statement while employee contributions are funded through payroll deductions.

4.12.2 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company's net obligation in respect of defined benefit plan is measured using the projected unit credit method which is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any recognized past service costs and fair value of any plan assets are deducted. The discount rate is the market yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the group's obligation and that are denominated in the currency in which the benefit are expected to be paid. Current service costs and interest costs are recognised under administrative expenses in the income statement. Actuarial gains or losses are recognised in the statement of other comprehensive income.

4.12.3 Short-term employee benefits

These are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

4.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

4.14 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.

4.15 Foreign currencies transactions

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in INR, which is the company's presentation currency.

Transactions and balances

Foreign currency transactions that are transactions denominated, or that require settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

4.16 Impairment of non-financial assets

The Company assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as a revaluation decrease.

4.17 Dividend distributions

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividend are declared.

Unclaimed dividends are amounts payable to shareholders in respect of dividend previously declared by the Company, which have remained unclaimed by the shareholders. In compliance with Section 385 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, unclaimed dividends after twelve years are transferred to retained earnings.

4.18 Earnings per share

The Company presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Company by the number of shares outstanding during the year.

Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by

the weighted average number of ordinary shareholders adjusted for the bonus shares issued.

4.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects and costs directly attributable to the issue of the instruments.

5. Critical judgment in applying the Company's accounting policies

The Company makes estimates and assumptions about the future that affects the reported amounts of assets and liabilities. Estimates and judgment are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the period of the change if the change affects that period only or in the period of change and future periods, if the change affects both the period of change and future periods. Estimates and assumptions that have significant risks of causing material adjustment to the carrying amount of assets and liabilities within the next financial years are stated below:

a. Impairment of financial assets
b. Estimated useful lives of assets
c. Allowances for doubtful accounts
d. Provision for obsolete stock

6. Financial risk management

The company's operations expose it to a number of financial risks. Adequate risk management procedures have been established to protect the company against the potential adverse effects of these financial risks. There has been no significant change in these financial risks since the prior year.

6.1 Credit risk

Concentrations of credit risk with respect to customers are limited due to the company's aggressive policy on monitoring of receivables. New customers are assessed for credit worthiness and where appropriate the company ensures that transactions with such customers is on a cash basis to avoid risk of default.

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6.1.1 Exposure to risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

Particular	Book value	Contractual cashflow	One year of less	1-5 years	More than 5 years
31-Mar-17					
Financial assets					
Trade receivables	3,73,42,907	3,73,42,907	3,73,42,907	-	-
Other assets	10,90,451	10,90,451	10,90,451	-	-
Due from related parties	2,70,13,785	2,70,13,785	2,70,13,785	-	-
Cash and cash equivalents	1,64,82,257	1,64,82,257	1,64,82,257	-	-
Total	8,19,29,400	8,19,29,400	8,19,29,400	-	-
31-Mar-16					
Financial assets					
Trade receivables	7,89,83,222	7,89,83,222	7,89,83,222	-	-
Other assets	61,57,771	61,57,771	61,57,771	-	-
Due from related parties	7,24,55,962	7,24,55,962	7,24,55,962	-	-
Cash and cash equivalents	52,20,179	52,20,179	52,20,179	-	-
Total	16,28,17,134	16,28,17,134	16,28,17,134	-	-

The debtors' age analysis is also evaluated on a regular basis for potential doubtful debts, where this is considered necessary. The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

6.1.2 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. The Company employs policies and procedures to mitigate it's exposure to liquidity risk. The Company complies with minimum regulatory requirements.

Particular	Book value	Contractual Cashflow	One year or less	1-5 years	More than 5 years
31-Mar-17					
Financial assets					
Due to related parties	6,36,74,862	6,36,74,862	6,36,74,862	-	-
Trade and other payables	1,49,71,570	1,49,71,570	1,49,71,570	-	-
Total	7,86,46,432	7,86,46,432	7,86,46,432	-	-
31-Mar-16					
Financial assets					
Due to related parties	13,80,03,800	13,80,03,800	13,80,03,800	-	-
Trade and other payables	2,80,85,597	2,80,85,597	2,80,85,597	-	-
Total	16,60,89,398	16,60,89,398	16,60,89,398	-	-

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6.1.3 Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

6.1.4 Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's principal transactions are carried out in INR. Hence, its exposure to foreign exchange risk is minimal. The Company however accounts for some balances denominated in foreign currency but presented in the INR and is therefore exposed to currency risks as follows:

6.2 Financial instruments and fair values

As explained in Note 4.4, financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statement of income or in the statement of other comprehensive income (OCI). These categories are: fair value through profit or loss; loans and receivables; available for sale assets; and, for liabilities, loans and payables or fair value through profit or loss.

The fair value of financial assets together with the carrying amounts shown in the statement of financial position are as follows:

Particular	FVTPL	Receivables	Amortised Cost	Fair value	Total Carrying Amount
At 31 MARCH 2017					
Assets					
Trade and other receivables	-	3,73,42,907	-	-	**3,73,42,907**
Cash and cash equivalents	1,64,82,257	-	-	-	**1,64,82,257**
Total	1,64,82,257	3,73,42,907	-	-	5,38,25,164
Liabilities					
Trade and other payables	-	-	-	1,49,71,570	1,49,71,570
Total	-	-	-	1,49,71,570	1,49,71,570
At 31 MARCH 2016					
Assets					
Trade and other receivables	-	7,89,83,222	-	-	7,89,83,222
Cash and cash equivalents	52,20,179	-	-	-	52,20,179
Total	52,20,179	7,89,83,222	-	-	8,42,03,401
Liabilities					
Trade and other payables	-	-	-	2,80,85,597	2,80,85,597
Total	-	-	-	2,80,85,597	2,80,85,597

6.3 Fair valuation methods and assumptions

Cash and cash equivalents, trade and other receivables, and trade and other payables are assumed to approximate their carrying amounts due to the short-term nature of these financial instruments.

The fair value of publicly traded financial instruments is generally based on quoted market prices, with unrealised gains/losses presented in a separate component of equity (other comprehensive income) at the end of the reporting year.

6.4 Fair value measurements recognised in the statement of financial position

Financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: for equity securities not listed on an active market and for which observable market data exist that the company can use in order to estimate the fair value;
Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial instruments presented in the accounts fall under the level 3 category of fair value measurement as they are not based on observable market data.

7. Capital management

In the management of its capital, the company has certain objectives which it intends to achieve, these include:

The safeguarding of the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and the provision of an adequate return to shareholders by pricing products and services commensurately with the level of risk.
Consistently with others in the industry, the company monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt ÷ capital:
Net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity i.e. ordinary shares, retained earnings and other reserves.

The debt-to-capital ratios at 31 March 2017 and at 31 March 2016 were as follows:

Particular	**42,825**	**42,460**
Total liabilities	8,17,19,616	17,49,63,331
Less: cash and cash equivalents	(1,64,82,257)	(52,20,179)
Net debt	6,52,37,359	16,97,43,152
Total equity	1,13,70,331	1,21,29,403
Debt-to-capital ratio	**5.74**	**13.99**

During 2017, the Company's debt-equity capital ratio decreased from 13.99 to 6.01 This decrease resulted primarily from a higher increase in total equity in comparison to corresponding increase in net debt as at year end. It is however important to note that a substantial part of the company's debt is due to related parties.

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8. **Property, plant and equipment**

Description	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost					
As at 01.04.16	81,82,024	36,84,421	7,74,033	21,57,903	1,47,98,380
Additions	7,87,914	10,60,759	3,23,481	-	21,72,154
Assets of Subsidiaries acquired	-	-	-	-	-
Disposal	7,486	-	-	29,323	36,809
Translation adjustments	(30,93,279)	(14,92,666)	(3,27,733)	(7,82,747)	(56,96,426)
As at 31.03.17	**58,69,171**	**32,52,514**	**7,69,780**	**13,45,833**	**1,12,37,299**
Accumulated Depreciations					
As at 01.04.16	41,94,744	18,55,522	4,58,843	19,78,570	84,87,679
Additions	13,70,275	14,74,720	2,03,876	1,32,583	31,81,453
Assets of subsidiaries acquired	-	-	-	-	-
Disposals	5,066	-	-	29,323	34,389
Disposal of Assets of EA					-
Translation adjustments	(17,21,562)	(8,83,974)	(1,95,983)	(7,35,997)	(35,37,516)
As at 31.03.17	**38,38,390**	**24,46,268**	**4,66,736**	**13,45,833**	**80,97,227**
Carrying Amount					
As at 01.04.16	**39,87,280**	**18,28,898**	**3,15,189**	**1,79,333**	**63,10,700**
As at 31.03.17	**20,30,781**	**8,06,246**	**3,03,044**	**-**	**31,40,071**

Depreciation charged is included in administrative expenses and cost of sales in the statement of profit or loss and other comprehensive income.
There were no impairment losses during the year.

Intangible Assets

Particulars	Software	Total
Cost		
As at 01.04.16	4,45,414.76	4,45,414.76
Additions	-	-
Assets acquired on acquisition	-	-
Disposals	-	-
Translation adjustment	(1,62,418.65)	(1,62,418.65)
As at 31.03.17	**2,82,996.11**	**2,82,996.11**
Accumulated Depreciation		
As at 01.04.16	12,575.63	12,575.63
Additions	1,09,766.69	1,09,766.69
Disposals	-	-
Translation adjustment	(20,020.31)	(20,020.31)
As at 31.03.17	**1,02,322.02**	**1,02,322.02**
Carrying Amount		
As at 01.04.16	**4,32,839.13**	**4,32,839.13**
As at 31.03.17	**1,80,674.09**	**1,80,674.31**

Amortisation charged is included in administrative in the statement of profit or loss and other comprehensive income

ENSURE SOLUTIONS NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

10. Inventories

Particulars	31-Mar-17	31-Mar-16
(a) Trading Stocks	71,21,862	1,75,32,060
(b) Goods In Transist	7,17,939	-
Total	**7839802**	**1,75,32,060**

11. Trade Receivable

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	3,69,14,450	7,59,82,449
Less:Allowance for doubtful debts	(6,36,132)	(6,44,372)
(c) Receivables from releted parties		
Redington Gulf FZE	-	4,12,80,938
Ensure Gulf FZE	2,70,13,785	-
Cadensworth FZE	-	3,11,75,024
(b) Other Trade receivables		-
Considered good	10,64,589	36,45,146
Total Trade and other receivable	**6,43,56,692**	**15,14,39,183**

12. Other Current assets

Particulars	31-Mar-17	31-Mar-16
Prepayments	10,90,451.25	61,57,770.91
Total	**10,90,451.25**	**61,57,770.91**

13. Cash and cash equivalents

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	18,206	3,69,272
(c) Balances with banks	-	-
(i) In current accounts	1,64,64,051	48,50,908
Total	**1,64,82,257**	**52,20,179**

ENSURE SOLUTIONS NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

14. Related party transactions
14.1 Due from related party

Particulars	31-Mar-17	31-Mar-16
Redington Gulf FZE	-	4,12,80,938
Ensure Gulf FZE	2,70,13,785	-
Cadensworth FZE	-	3,11,75,024
Total	**2,70,13,785**	**4,12,80,938**

14.2 Due To Related Party

Particulars	31-Mar-17	31-Mar-17
Cadensworth FZE.	-	6,29,99,163
Redington Ghana Limited	-	6,820
Ensue Gulf FZE.	-	4,15,75,500
Redington Gulf FZE.,	17,08,607	-
Redington Nigeria Limited	6,19,66,255	3,34,22,318
Total	**6,36,74,862**	**13,80,03,800**

14.3 The aggregate value of transactions during the year relating to those entities are as follows:

Related parties	Nature of transactions	Relationship	31-Mar-17	31-Mar-16
Ensure Middle East Trading L.L.C.	Trading activities	Fellow subsidiary	-	-
Redington Gulf FZE	Trading activities	Fellow subsidiary	(2,62,28,015)	(4,12,80,938)
Cadensworth FZE.	Trading activities	Fellow subsidiary	(5,98,33,960)	3,43,93,868
Redington Ghana Limited	Trading activities	Fellow subsidiary	(4,333)	6,820
Redington Middle East Limited	Trading activities	Fellow subsidiary	-	(2,55,068)
Ensue Gulf FZE.	Trading activities	Parent company	(2,64,15,166)	1,93,59,516
Redington Nigeria Limited	Trading activities	Fellow subsidiary	4,07,31,247	(4,19,37,914)
Total			**(7,17,50,226)**	**(2,97,13,716)**

All transactions with related parties represent trading activities which particularly include the transfer of inventory items. Trading activities include the transfer of assets between Ensure Solutions Nigeria Limited (the Company) and related parties as well as payments on behalf of the Company by related parties or payments by the Company on behalf of related parties. Amounts due to Redington Nigeria Limited largely represent liability recognised by the Company on receipt of assets transferred from Redington Nigeria Limited at the commencement of business in 2013. Amounts due to or from related parties are unsecured, and have no fixed term of repayment. No guarantees have been given or received. No expense has been recognised during the year in respect of bad or doubtful debts due from related parties.

15. Trade and other payables

	2017	2016
	N	N
Trade payables	**54,317,185**	69,147,603
VAT payable	**2,130,095**	1,762,530
Provisions and accrual (note 15.1)	**14,273,411**	13,380,375
	70,720,691	84,290,508

Trade payable are stated at their original invoiced value as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

ENSURE SOLUTIONS NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

16. Provision for Gratuity

Particulars	31-Mar-17	31-Mar-16
(i) Provision for Gratuity	9,62,893	28,75,849
Total	**9,62,893**	**28,75,849**

16.1 Movement of Provision for Gratuity

Particulars		31-Mar-17	31-Mar-16
Balance at April 01,2016		28,75,849	21,35,200
Add: Accruals in the year		3,31,325	9,91,471
Less: Payments in the year		(5,24,360)	(6,08,365)
Remeasurement (gains)/loss		(8,12,671)	2,19,012
Currency translation adjust		(27,68,641)	(8,59,187)
Balance at March 31,2017		**9,62,893**	**28,75,849**

16.2 **Expenses or gains recognised in the statement of comprehensive income**

Particular		31-Mar-17	31-Mar-16
Net expense recognised in p		3,31,325	7,42,710
Actuarial loss/gains recognised in the		(8,12,671)	1,64,061
Total		**(4,81,345)**	**9,06,772**

16.3 Net expense recognised in profit or loss

Particular		31-Mar-17	31-Mar-16
Current service cost		6,53,782	4,93,662
Plan amendment		(5,96,632)	-
Interest cost		2,74,175	2,49,048

ENSURE SOLUTIONS NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

16.4 **Reconciliation of Defined Benifit Obiligation**

Particular	**31-Mar-17**	**31-Mar-16**
At 1 April	28,75,849	21,35,200
Current service cost	6,53,782	4,93,662
Plan ammendment	(5,96,632)	-
Interest cost	2,74,175	2,49,048
Actuarial loss/gains due to change in assumptions	(1,57,903)	2,68,263
Actuarial gains due to experience adjustments	(6,54,768)	(1,04,201)
Benefit paid	(5,24,360)	(4,55,726)
Currency Translation Adjustment	(9,07,251)	2,89,603
At 31 March	9,62,893	28,75,849

held. Benefit payments are met by the company on a pay-as-you-go basis.
(See note 28, for membership data, actuarial assumptions and sensitivity analysis of the plan).

ENSURE SOLUTIONS NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

22. Revenue

Particulars	31-Mar-17	31-Mar-16
Sales	3,81,62,777	4,43,29,955
Service Income	9,84,87,094	10,71,18,933
Total	**13,66,49,871**	**15,14,48,889**

23. Other Income

Particulars	31-Mar-17	31-Mar-16
Profit on sale of Fixed Assets (net)	1,94,650	-
Exchange gain/(Loss) Net	15,61,588	60,35,737
Reversal of provision for standard assets	2,63,751	-
Total	**20,19,990**	**60,35,737**

24. Employee Benifit

Particulars	31-Mar-17	31-Mar-16
Salaries	1,64,61,911	2,07,42,615
Total	**1,64,61,911**	**2,07,42,615**

25. **Other Expenses**

Particulars	31-Mar-17	31-Mar-16
Rent	50,75,475	77,17,414
Repairs and Maintenance	26,73,934	52,58,595
Utilities	7,11,436	16,12,674
Communication	17,49,567	46,73,036
Sales Promotion Expenses	2,58,255	6,48,172
Travelling Expenses	24,09,639	33,22,387
Professional Charges	12,66,180	38,05,959
Auditor's Remuneration(including remuneration to Subsidiarie's auditors)	8,62,185	11,50,962
Exchange Loss Net	54,40,865	76,00,436
Packing Charges	1,15,841	1,75,107
Bank Charges	4,58,422	1,52,488
Miscellaneous Expenses	33,76,612	62,26,782
Total	**2,43,98,409**	**4,23,44,010**

ENSURE SOLUTIONS NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

28.5 Analysis of the company's average monthly number of employees was:

	Number	Number
Executive	**8**	8
Management	**5**	5
Senior	**25**	33
	38	46

29. Membership data, actuarial assumptions and sensitivity analysis of defined benefit plan

29.1 Membership data (staff)

Valuation year

Number as at April 1,	**46**	44
New entrants	**4**	8
Exits	**(12)**	(6)
Staff number as at March 31,	**38**	46
Average age of staff	**32 years**	32 years
Average years served	**3.29 years**	3.35 years

The Company's Staff Gratuity Benefits Plan provides a defined benefit arrangement for the members on event of death, termination, withdrawal, redundancy or retirement of members.

29.2 Actuarial assumptions

29.2.1 Financial assumptions - Long-term average:

	Mar-17	Mar-16
Discount rate	**16%**	13%
Rate of salary increase	**13%**	11%
Inflation rate	**12%**	9%

ENSURE SOLUTIONS NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

29.2.2 Demographic assumptions

Mortality in service

The rate of mortality used for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK. This has been rated down by one year to more accurately reflect mortality in Nigeria.

Sample Age	Number of deaths in year of age out of 10,000 lives
25	7
30	7
35	9
40	14
45	26

Withdrawal from service

The withdrawal rates assumed in the current valuation are as follows:

Age Band	Rate
18 - 29	0.02
30 - 39	0.015
40 - 44	0.01
45 - 49	0

29.3 Sensitivity analysis

31-Mar-17			
A. Effect of 1% Increase or Decrease in Discount Rate			
	+1%	Base Rate	-1%
	17%	16%	15%
	N	N	N
Defined Benefit Obligation	3,948,000	4,548,000	5,264,000
Change (%)	-13.20%	0.00%	15.70%
B. Effect of 1% Increase or Decrease in Rate of Salary Increase			
	+1%	Base Rate	-1%
	14%	13%	12%
	N	N	N
Defined Benefit Obligation	5,301,000	4,548,000	3,911,000
Change (%)	16.40%	0.00%	-13.90%

31-Mar-16			
A. Effect of 1% Increase or Decrease in Discount Rate			
	+1%	Base Rate	-1%
	16%	15%	14%
	N	N	N
Defined Benefit Obligation	5,911,000	6,800,000	7,858,000
Change (%)	-13.10%	0.00%	15.60%

ENSURE SOLUTIONS NIGERIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

B. Effect of 1% Increase or Decrease in Rate of Salary Increase			
	+1%	Base Rate	-1%
	13%	12%	11%
	N	N	N
Defined Benefit Obligation	7,913,000	6,800,000	5,855,000
Change (%)	16.40%	0.00%	-13.90%

30. Contingent liabilities/capital commitments

The directors are of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of the financial statements. The liabilities are relevant in assessing the Company's state of affairs.

31. Pending litigation

The contingent liabilities in respect of pending litigation and other liabilities were estimated to be nil as at 31 March 2017 (2016: Nil).

32. Events after the reporting period

The Directors are of the opinion that there were no significant events after the year end which would have had any material effect on the accounts which have not been adequately provided for or disclosed in the financial statements.

33. Comparative figures

Certain prior year figures have been restated with the current year presentation for a more meaningful comparison.

ENSURE TECHNICAL SERVICES KENYA LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

ENSURE TECHNICAL SERVICES KENYA LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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ENSURE TECHNICAL SERVICES KENYA LIMITED

CORPORATE INFORMATION

DIRECTORS	Raj Shankar* Sriram Ganeshan** * Singaporean ** Indian
SECRETARY	Livingstone Associates Certified Public Secretaries (Kenya) Deloitte Place Waiyaki way, Muthangari P O Box 30029 - 00100 Nairobi
REGISTERED OFFICE	LR No. Nairobi/Block 209/6368/4 Westlands Square, Ring Road P O Box 383 - 00606 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	NIC Bank Limited The Mall Branch, Westlands P O Box 44599 - 00100 Nairobi

ENSURE TECHNICAL SERVICES KENYA LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of Ensure Technical Services Kenya Limited (the "company") for the year ended 31 March 2017, which disclose the state of affairs of the company.

PRINCIPAL ACTIVITIES

The principal business activity is to provide warranty and post warranty services for information technology and telecommunication products.

RESULTS

	INR
Loss before taxation	(21,74,549)
Taxation charge	-
Loss for the year transferred to accumulated losses	(21,74,549)

DIRECTORS

The current directors are shown on page 2.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office in accordance with the provisions of the Kenyan Companies Act

BY ORDER OF THE BOARD

SECRETARY

Nairobi

2017

ENSURE TECHNICAL SERVICES KENYA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the prevention and detection of fraud and error.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. They also accept responsibility for:

(i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;

(ii) selecting suitable accounting policies and applying them consistently; and

(iii) making accounting estimates and judgements that are reasonable in the circumstances.

As disclosed in note 3 to the financial statements, the directors acknowledge that the continued existence of the company as a going concern depends on success of the various strategic measures that the directors are pursuing and financial support from shareholders to enable the company resume profitable trading and restore its solvency. The directors are of the view that once these measures are fully implemented, the company will trade profitably and remain solvent for the foreseeable future.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on ………………………………….. 2017 and signed on its behalf by:

……………………………………	……………………………………
Director	Director

INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF ENSURE TECHNICAL SERVICES KENYA LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Ensure Technical Services Kenya Limited, set out on pages 8 to 25, which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 March 2017 and of its loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Institute of Certified Public Accountants of Kenya Code of Ethics (ICPAK Code of Ethics), which is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with other ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information, which comprises the report of directors as required by the Kenyan Companies Act. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF ENSURE TECHNICAL SERVICES KENYA LIMITED
(Continued)

Responsibilities of the directors and those charged with governance 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 the requirements of 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the company financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF ENSURE TECHNICAL SERVICES KENYA LIMITED (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 (Balance Sheet) and statement of profit or loss and other comprehensive income (Profit and Loss account) are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditors' report is ***CPA Fredrick Aloo – P/No 1537***

Certified Public Accountants (Kenya)

Nairobi, Kenya

2017

ENSURE TECHNICAL SERVICES KENYA LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017(In Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	7	18,91,035	31,72,910
Other Intangible assets(Software)	8	5,669	20,909
Total Non Current Assets		**18,96,704**	**31,93,819**
Current Assets			
Inventories	10	47,45,225	52,79,472
Financial assets			
Trade receivables	11	168,34,746	231,22,519
Cash and bank balances	11a	21,33,556	36,80,602
Other Current Assets	12	40,90,103	49,48,198
Total Current assets		**278,03,630**	**370,30,792**
Total Assets		**297,00,334**	**402,24,611**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital	**13**	6,29,925	6,53,400
Other Equity			
Other reserves		(20,16,972)	(19,84,419)
Retained earnings		(21,74,549)	(2,00,551)
Equity attributable to the owners of the Company		**(35,61,596)**	**(15,31,570)**
Non-Controlling interests		-	-
Total Equity		**(35,61,596)**	**(15,31,570)**
Current Liabilities			
Financial Liabilities			
Trade and other payables	14	332,61,930	417,56,180
Total Current Liabilities		**332,61,930**	**417,56,180**
Total Equity and Liabilities		**297,00,334**	**402,24,611**

ENSURE TECHNICAL SERVICES KENYA LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	**Note No.**	**Period ended March 31, 2017**	**Period ended March 31, 2016**
Comprehensive Income:			
(a).Revenue from operations		350,58,198	340,31,752
(b)Other gain / (losses)		-	7,78,762
(c).Total Revenue(a+b)		**350,58,198**	**348,10,513**
d.Expenses			
Purchase of traded goods		73,97,930	82,36,646
Changes in inventories		5,34,247	(3,60,476)
Employee Benefits	15	77,08,152	68,54,535
Depreciation & Amortisation		15,20,870	18,27,746
Other Expenses	16	200,71,548	184,52,613
Total Expenses(d)		**372,32,747**	**350,11,064**
Profit before Corporate social responsibility expenditure and Tax		(21,74,549)	(2,00,551)
Profit before exceptional items and tax		(21,74,549)	(2,00,551)
e.Profit before tax (c-d)		**(21,74,549)**	**(2,00,551)**
h.Profit for the Year (e-f-g)		**(21,74,549)**	**(2,00,551)**
Total Comprehensive Income for the Year attributable to (h+k)		(21,74,549)	(2,00,551)
Profit for the year attributable to the :-			
Shareholders of the Company		(21,74,549)	(2,00,551)
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		(21,74,549)	(2,00,551)

ENSURE TECHNICAL SERVICES KENYA LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	Share capital	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	6,53,400	(2,00,551)	(19,84,419)	(15,31,570)
Profit for the year		(21,74,549)		(21,74,549)
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	1,44,523	1,44,523
Deduction				-
Balance as at March 31, 2017	6,29,925	(23,75,100)	(18,39,896)	(35,61,596)

ENSURE TECHNICAL SERVICES KENYA LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017(In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	(21,74,549)	(2,00,551)
Adjustments for		
Depreciation	15,20,870	18,27,746
Change in Working capital		
Change in recievables	22,45,501	(62,72,417)
Releted party due		
Inventories	3,59,359	(14,12,319)
Trade payables	(2,95,634)	(32,30,298)
Net cash flow from operating activity	**16,55,548**	**(92,87,839)**
Cash flow from investing activity		
Capital expenditure	(2,59,501)	(1,66,040)
Dividend paid	(28,249)	(10,418)
Net cash in investing activity	(2,87,750)	(1,76,459)
Net increase in cash and cash equivalents	13,67,798	(94,64,298)
Cash and Cash equivalents at the beginning of the year	36,80,602	7,00,409
Currency transalation asjustment	(29,14,844)	124,44,491
Cash and Cash equivalents at the end of the year	**21,33,556**	**36,80,602**

1 ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act.

For the purposes of reporting under the Kenyan Companies Act, the balance sheet in these financial statements is represented by/ is equivalent to the statement of financial position and the profit and loss account is presented in the statement of profit or loss and other comprehensive income.

Adoption of new and revised International Financial Reporting Standards (IND ASs) and interpretations (IFRIC)

i) Relevant new standards and amendments to published standards effective for the year ended 31 December 2016

Several new and revised standards and interpretations became effective during the year. The directors have evaluated the impact of their new standards and interpretations and none of them had a significant impact on the company's financial statements.

ii) Relevant new standards and amendments to published standards in issue but not effective for the year ended 31 December 2016.

New and Amendments to standards	*Effective for annual periods beginning on or after*
IND AS 10 IND AS 109 Financial Instruments	1 January 2018, with earlier application permitted
IFRS 15 Revenue from contracts with customers	1 January 2018, with earlier application permitted
IND AS 116 Leases	1 January 2019, with earlier application permitted
Amendments to IND AS 102 Classification and Measurement of Share-based Payment Transactions	1 January 2018, with earlier application permitted
Amendments to IND AS 1 10 and IND AS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 4	Effective for annual periods beginning on or after a date to be determined
Amendments to IAS 7	1 January 2017, with earlier application permitted
Amendments to IND AS 12	1 January 2017, with earlier application permitted

iii) Impact of new and amended standards and interpretations on the financial statements for the year ended 31 December 2016 and future annual periods

IND AS 10 9 Financial Instruments

IND AS 109, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IND AS 109 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for de-recognition.

1 ACCOUNTING POLICIES (Continued)

iii) Impact of new and amended standards and interpretations on the financial statements for the year ended 31 December 2016 and future annual periods (continued)

IND AS 109 Financial Instruments (Continued)

Key requirements of IND AS 109:

- All recognised financial assets that are within the scope of IND AS 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. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IND AS 109, 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, IND AS 109 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 IND AS 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.
- The directors of the Group anticipate that the application of IND AS 109 in the future will have a significant 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 IND AS 109 until a detailed review has been completed.

IND AS 115 Revenue from Contracts with Customers

IND AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 Revenue, IND AS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IND AS 115 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:

- 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 IND AS 115, an entity recognises revenue 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 IND AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 115.

1 ACCOUNTING POLICIES (Continued)

iii) Impact of new and amended standards and interpretations on the financial statements for the year ended 31 December 2016 and future annual periods (continued)

IND AS 115 Revenue from Contracts with Customers (Continued)

In April 2016, the IASB issued Clarifications to IND AS 115 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors are still in the process of assessing the full impact of the application of IND AS 115 on the Company's financial statements and it is not practicable to provide a reasonable financial estimate of the effect until the directors complete the detailed review. The directors do not intend to early apply the standard and intend to use the full retrospective method upon adoption.

IND AS 116 Leases

IND AS 116 specifies how an entity will recognise, measure, present and disclose leases. The standard provides a single lease 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 lease, with IND AS 116, approach to lessor accounting unchanged from its predecessor, IND AS 17.

IND AS 116 applies to annual reporting periods beginning on or after 1 January 2019.The directors anticipate that the adoption of IND AS 116 will not have a significant impact on the group's financial statements.

Amendments to IND AS 7 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Company's financial statements.

Amendments to IND AS 12 Recognition of Deferred Tax Assets for Unrealized Losses

The amendments clarify the following:

- Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;

- When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;

- The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and

1 ACCOUNTING POLICIES (Continued)

iii) Impact of new and amended standards and interpretations on the financial statements for the year ended 31 December 2016 and future annual periods (continued)

Amendments to IND AS 12 Recognition of Deferred Tax Assets for Unrealized Losses

- In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Company's financial statements.

iv) Early adoption of standards

The company did not early-adopt any new or revised standards and interpretations in 2017.

Basis of preparation

The company prepares its financial statements under the historical cost convention as modified by the revaluation of certain financial instruments which are accounted for at fair value, on the assumption that the company will continue trading as a going concern in the foreseeable future. The principal accounting policies adopted in the preparation of these financial statements, remain unchanged from the previous year and are set out below:

Revenue recognition

Revenue represents warranty and post warranty service income net of value added tax and discounts. Sales are recognised upon delivery of services and acceptance by the customer.

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.

Motor vehicles, furniture and equipment

Motor vehicles, furniture 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 motor vehicles, furniture and equipment in equal annual instalments over their estimated useful lives. The annual rates in use are:

Computers	20%
Motor vehicles	30%
Furniture and fittings	20%
Networking equipment	12.5%

1 ACCOUNTING POLICIES (Continued)

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 inventories 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 installment 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 Kenya Shillings at the rates of exchange ruling at year end. Transactions during the year 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.

Provisions for liabilities and charges

Provisions 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 a reliable estimate of the amount can be made. Where the company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

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.

1 ACCOUNTING POLICIES (Continued)

Share capital
Ordinary shares are classified as equity.

Retirement benefits obligations

The company and its employees contribute to the National Social Security Fund, which is a defined contribution scheme. Contributions are determined by local statute. 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.

2 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the company's accounting policies, management has 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 judgement in applying the company's accounting policies are dealt with below:

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.

Motor vehicles, furniture and equipment

Critical estimates are made by the management, in determining depreciation rates for motor vehicles, furniture and equipment.

3 GOING CONCERN

The company incurred a loss before tax of Sh 3,310,000 during the year ended 31 March 2017 (2016: Sh 308,000) and as at that date its current liabilities exceeded its current assets by Sh 8,665,000 (2016: Sh 7,232,000) and it had accumulated losses of Sh 6,654,000 (2016: Sh 3,344,000). 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.

4 LOSS BEFORE TAXATION

The loss before taxation is arrived at after charging:

Particular	31-March-2017	31-March-2016
Depreciation	147,75,11	17,99,747
Amortisation	433,60	27,999
Auditors' remuneration	472,357	444,076
Staff costs (note 5)	7,407,920	6,507,478

5 STAFF COSTS

Particular	31-March-2017	31-March-2016
Salaries and wages	5,897,561	5,152,459
National Social Security Fund (NSSF)	19,709	18,232
Other Staff cost	14,90,650	13,36,787
Total	74,07,920	65,07,478

7 PROPERTY PLANT EQUIPMENT

Description	Plant and Equipment	Furniture & Fixtures	Computers	Vehicles	Total
Cost					
As at 01.04.16	2,07,781.20	61,17,130.80	4,95,930.60	11,27,115.00	79,47,957.60
Additions	-	1,81,978.88	77,521.69	-	2,59,500.57
Assets of Subsidiaries acquired	-	-	-	-	-
Disposal	-	-	-	-	-
Translation adjustments	(7,465.05)	(2,27,262.60)	(21,008.06)	(40,494.38)	(2,96,230.09)
As at 31.03.17	**2,00,316.15**	**60,71,847.08**	**5,52,444.23**	**10,86,620.63**	**79,11,228.08**
Accumulated Depreciations					
As at 01.04.16	1,86,219.00	32,50,665.00	3,05,137.80	10,33,025.40	47,75,047.20
Additions	19,708.90	12,46,259.69	1,16,939.50	94,602.74	14,77,510.83
Assets of subsidiaries acquired	-	-	-	-	-
Disposals	-	-	-	-	-
Disposal of Assets of EA					-
Translation adjustments	(7,501.53)	(1,68,080.09)	(15,775.67)	(41,007.51)	(2,32,364.80)
As at 31.03.17	**1,98,426.38**	**43,28,844.60**	**4,06,301.63**	**10,86,620.63**	**60,20,193.23**
Carrying Amount					
As at 01.04.16	**21,562.20**	**28,66,465.80**	**1,90,792.80**	**94,089.60**	**31,72,910.40**
As at 31.03.17	**1,889.77**	**17,43,002.48**	**1,46,142.60**	**-**	**18,91,034.85**

ENSURE TECHNICAL SERVICES KENYA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 INTANGIBLE ASSETS- computer software

Particulars	**Software**	**Total**
Cost		
As at 01.04.16	63,379.80	63,379.80
Additions	28,249.43	28,249.43
Assets acquired on acquisition	-	-
Disposals	-	-
Translation adjustment	(3,439.73)	(3,439.73)
As at 31.03.17	**88,189.50**	**88,189.50**
Accumulated Depreciation		
As at 01.04.16	42,471.00	42,471.00
Additions	43,359.59	43,359.59
Disposals	-	-
Translation adjustment	(3,310.41)	(3,310.41)
As at 31.03.17	**82,520.18**	**82,520.18**
Carrying Amount		
As at 01.04.16	**20,908.80**	**20,908.80**
As at 31.03.17	**5,669.33**	**5,669.33**

9 DEFERRED TAXATION

Deferred taxation is calculated on all temporary differences under the liability method using the currently enacted tax rate of 30%.

Excess depreciation over capital allowances	(687,840.74)	(451,238.95)
Unrealised exchange losses	363,957.76	77,485.48
Leave pay provision	(51,900.11)	(57,300.18)
Bad debt provision	(13,796.23)	-
Other general provisions	(196,432.08)	(153,017.54)
Tax losses	(864,563.92)	(223,340.49)

10 INVENTORIES

Particulars	31-Mar-17	31-Mar-16
(a) Trading Stocks	47,45,225	52,79,472
Total	**4745225**	**52,79,472**

11 TRADE AND OTHER RECEIVABLES

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	168,79,470	189,89,764
Less:Allowance for doubtful debts	(44,725)	-
Considered good	-	41,32,755
Total Trade and other receivable	**168,34,745.63**	**231,22,519.20**

11a CASH AND BANK BALANCE

Cash and Cash Equivalents		
Particulars	**31-Mar-17**	**31-Mar-16**
(a) Cash on hand	1,07,087	32,670
(b) Balances with banks		
(i) In current accounts	20,26,469	36,47,932
Total	**21,33,556**	**36,80,602**

11b RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control one party or exercise significant influence over the other party in making financial or operational decisions. Ensure Tanzania Limited and Ensure Technical Services Limited are both subsidiaries of Redington Gulf FZE UAE, which is the ultimate parent company based in Dubai.

. Due to Related Party

Particulars	31-Mar-17	31-Mar-16
Cadensworth FZE	-	68,14,962
Ensure Gulf FZE UAE	307,32,781	320,23,787
Total	**307,32,781**	**320,23,787**

. Due from Related Party

Particulars	31-Mar-17	31-Mar-16
Redington Gulf FZE UAE	-	41,32,755
Total	-	**41,32,755**

ENSURE TECHNICAL SERVICES KENYA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued

12 OTHER CURRENT ASSETS

Particulars	31-Mar-17	31-Mar-16
Vat Recoverable	33,20,335	42,03,322
Prepayments	9,449	19,602
Others	7,60,319	7,25,274
Total	**40,90,103**	**49,48,198**

13 SHARE CAPITAL

Authorised, issued and fully paid:	629925	653400

14 TRADE AND OTHER PAYABLES

Particulars	31-Mar-17	31-Mar-16
Trade Payables	11,86,149	14,60,349
Due to related parties	307,32,781	388,38,749
Total Trade Payables	**332,61,930**	**417,56,180**

15 Other Income

Particulars	31-Mar-17	31-Mar-16
Exchange gain/(Loss) Net	-	7,78,762
Total	**-**	**7,78,762**

16 Employee Benefit

Particulars	31-Mar-17	31-Mar-16
Salaries and Bonus	74,07,920	65,07,478
Welfare Expenses	3,00,232	3,47,057
Total	**77,08,152**	**68,54,535**

17 Other Expenses

Particulars	**31-Mar-17**	**31-Mar-16**
Rent	31,51,454	31,13,744
Repairs and Maintenance	6,00,465	7,56,623
Utilities	1,70,811	2,23,340
Insurance	1,88,549	1,88,179
Communication	6,28,714	8,70,572
Sales promotion expense	109,76,546	94,01,137
Travel	21,13,451	10,95,866
Professional Charges	3,02,860	3,90,032
Auditor's Remuneration(including remuneration to Subsidiarie's auditors)	4,72,357	4,44,076
Exchange Loss Net	6,05,063	-
Bank Charges	67,010	55,998
Postage and Stationary	3,57,388	3,94,590
Miscellaneous Expenses	4,36,881	15,18,455
Total	**200,71,548**	**184,52,613**

15 FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to recognize potential adverse effects on its financial performance.

Risk management is carried out by the finance department under policies approved by the Board of Directors. The company has policies in place to ensure that sales are made to customers with an appropriate credit history.

Market risk

(i) Foreign exchange risk

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities. Monetary assets and liabilities held in foreign currencies are closely monitored to ensure that they are not materially affected by adverse foreign currency fluctuations..

The company's foreign currencies denominated assets and liabilities at the reporting date can be analyzed as follows:

Foreign currency risk		
Particulars	**31-Mar-17**	**31-Mar-16**
Financial Assets		
Trade receivables	157,91,590	186,80,706
Due from Related Parties	-	41,32,755
Bank balance	16,53,553	33,66,970
current assets	**174,45,143**	**261,80,431**
Total Assets	**174,45,143**	**261,80,431**
Financial Liability		
Particulars	**31-Mar-17**	**31-Mar-16**
Trade payables	8,10,084	11,93,108
Due To Related Parties	307,32,781	394,16,355
13. Current liabilities	**315,42,864**	**406,09,463**
18. Total liabilities	**315,42,864**	**406,09,463**
Currency Gap	(140,97,722)	(143,70,226)

	31 March 2017		31 March 2016	
	10% increase	10% decrease	10% increase	10% decrease
Effect on profit	(14,70,284)	14,70,284	(14,31,853)	14,31,853

15 FINANCIAL RISK MANAGEMENT (Continued)

Market risk (continued)

(ii) Price risk

The company does not hold investments that would be subject to price risk; hence this risk is relevant.

(iii) Interest rate risk

The company does not hold any interest bearing assets or liabilities; hence is not subject to interest rate risk

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 primarily from cash and cash equivalents with banks as well as trade and other receivables. The amount that best represents the company's maximum exposure to credit risk as at year end is made up as follows:

31-Mar-17	**Fully performing**	**Past due**	**Impaired**	**Total**
Bank balances	20,26,469	-	-	20,26,469
Trade receivables	122,89,207	45,90,263	(44,725)	168,34,746
Total	143,15,676	45,90,263	(44,725)	188,61,214
31-Mar-16				
Bank balances	36,47,932	-	-	36,47,932
Trade receivables	189,89,764	-	-	189,89,764
Due from related parties	41,32,755	-	-	41,32,755
Total	267,70,451	-	-	267,70,451

15 FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash to meet the obligations of the business. The finance manager reviews the cash forecast monthly and determines cash requirement.

The table below analyses the company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the end of reporting period date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

31-Mar-17	Less than 1 month	Over 3 months	Total
Trade payables	11,86,149	-	11,86,149
Due to related parties	307,32,781	-	307,32,781
Total	319,18,930	-	319,18,930
31-Mar-16			
Trade payables	14,60,349	-	14,60,349
Due to related parties	388,38,749	-	388,38,749
Total	402,99,098	-	402,99,098

16 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 adjust the amount of dividends paid to shareholders or sell assets to reduce debt.

The constitution of capital managed by the company is as shown below:

	2017	2016
Share capital	6,29,925	6,53,400
Accumulated losses	(41,91,521)	(21,84,970)
Shareholders' deficit	(35,61,596)	(15,31,570)

The company had no debt as at 31 March 2017 (2016: INR Nil) and was therefore not geared.

17 CAPITAL COMMITMENTS

The company had not entered into any capital commitments as at 31 March 2017 and as at 31 March 2016.

18 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period which should have been reported in the financial statements.

19 INCORPORATION

The company is incorporated as a limited company and domiciled in Kenya under the Companies Act. The ultimate holding company is Redington Gulf FZE incorporated in The United Arab Emirates.

20.The Presentation currency used across is Indian Rupees unless otherwise stated

ENSURE SERVICES UGANDA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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COMPANY INFORMATION

DIRECTORS	: Raj Shankar
	: Sriram Ganeshan
REGISTERED OFFICE	: Plot 15
	: Mulwana Road
	: Industrial Area
	: P.O. Box 33009
	: Kampala, Uganda
INDEPENDENT AUDITOR	: PKF Uganda
	: Certified Public Accountants
	: P .O. Box 24544
	: Kampala, Uganda
COMPANY SECRETARY	: Hem Registrars Limited
	: P .O. Box 26898
	: Kampala, Uganda
PRINCIPAL BANKERS	: Diamond Trust Bank (U) Limited
	: P.O. Box 7155
	: Kampala, Uganda
PARENT	: Redington Uganda
	: Plot 15
	: Mulwana Road
	: Industrial Area
	: P .O. Box 33009
	: Kampala, Uganda

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 March, 2017 which disclose the state of affairs of the company.

PRINCIPAL ACTIVITIES

The company's principal activity is trading and servicing of various categories of products and accessories of information technology.

DIVIDENDS

The directors do not recommend the declaration of a dividend for the year (2016: 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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Ugandan Companies Act, 2012 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 its profit or loss for that year. It also requires the directors to ensure that the company keeps proper accounting records that are sufficient to show and explain the transactions of the company; that disclose, with reasonable accuracy, the financial position of the company and that enable them to prepare financial statements of the company that comply with the International Financial Reporting Standards and the requirements of Ugandan Companies Act, 2012. The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards and in the manner required by the Ugandan Companies Act, 2012. 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; and
iii making accounting estimates and judgments 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 2017 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 Ugandan Companies Act, 2012.

In preparing these financial statements the directors have assessed the company's ability to continue as a going concern. Nothing has come to the attention of the directors to indicate that the company and its subsidiaries will not remain a going concern for at least the next twelve months from the date of this statement.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

So far as each of the directors is aware, there is no relevant audit information which the auditor is unaware of, and each of the directors has taken all the steps that ought to have been taken in order to become aware of any relevant audit information and to establish that the auditor is aware of that information.

DIRECTOR

Report of the independent auditor to the members of Ensure Services Uganda Limited

Opinion

We have audited the financial statements of Ensure Services Uganda Limited set out on pages 7 to 22 which comprise the statements of financial position as at 31 March 2017, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the company financial position as at 31 March 2017, and of the financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS's) and the Ugandan Companies Act, 2012.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the directors' report, the schedule of cost of sales and expenditure but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS's and the requirements of the Ugandan Companies Act, 2012, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Report of the independent auditor to the members of Ensure Services Uganda Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report of the independent auditor to the members of Ensure Services Uganda Limited (continued)

Report on other legal and regulatory requirements

As required by the Ugandan Companies Act, 2012 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 or loss are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Charles Oguttu – P 0141

Certified Public Accountants
Kampala

Ref: CO/E045/……/17

Ensure Services Uganda Limited
Annual report and financial statements
For the year ended 31 March 2017(IN Indian Rupees)
STATEMENT OF FINANCIAL POSITION

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	8	3,38,795	6,72,558
Deferred Tax Assets (Net)		61,104	-
Total Non Current Assets		**3,99,898**	**6,72,558**
Current Assets			
Inventories		2,33,712	5,66,986
Financial assets			
(i) Trade receivables	9	53,26,877	106,97,691
(ii) Cash and bank balances	10	14,61,738	9,78,105
Other Current Assets	11	7,74,668	6,32,567
Total Current assets		**77,96,995**	**128,75,349**
Total Assets		**81,96,894**	**135,47,906**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		89,938	98,500
Other Equity			
Other reserves		12,15,543	21,19,003
Retained earnings		21,13,047	15,32,530
Equity attributable to the owners of the Company		**34,18,528**	**37,50,033**
Non-Controlling interests		-	-
Total Equity		**34,18,528**	**37,50,033**
Non-Current Liabilities			
Deferred Tax Liabilities (Net)		-	4,60,921
Total Non-current Liabilities		**-**	**4,60,921**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	12	47,78,366	93,36,953
Total Current Liabilities		**47,78,366**	**93,36,953**
Total Equity and Liabilities		**81,96,894**	**135,47,907**

The notes on pages 11 to 22 form an integral part of these financial statements.

Report of the independent auditor - pages 4-6.

Ensure Services Uganda Limited
Annual report and financial statements
For the year ended 31 March 2017
STATEMENT OF COMPREHENSIVE INCOME*(IN Indian Rupees)*

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations	2	99,28,456	212,01,249
(b)Other gain / (losses)	3	2,48,904	10,07,306
(c) Total Revenue(a+b)		**101,77,360**	**222,08,555**
(d) Expenses			
Purchase of traded goods	6	66,27,767	148,51,346
Changes in inventories	6	3,33,274	(5,62,339)
Employee Benefits	4	8,41,251	15,88,066
Finance Costs		-	-
Depreciation & Amortisation		2,96,939	3,06,507
Other Expenses	5	20,36,419	29,59,114
Total Expenses(d)		**101,35,650**	**191,42,696**
Profit before Corporate social responsibility expenditure and Tax		41,710	30,65,859
Profit before exceptional items and tax		41,710	30,65,859
e.Profit before tax (c-d)		**41,710**	**30,65,859**
Income Tax expense:			
Current tax		(47,666)	(9,46,855)
h.Profit for the Year (e-f-g)		**(5,956)**	**21,19,003**
Total Comprehensive Income for the Year attributable to (h+k)		(5,956)	21,19,003
Profit for the year attributable to the :-			
Shareholders of the Company		(5,956)	21,19,003
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		(5,956)	21,19,003

Ensure Services Uganda Limited
Annual report and financial statements
For the year ended 31 March 2017
STATEMENT OF CHANGES IN EQUITY

Particulars	Share capital	Retained earnings	Foreign currency transalation reserve	Total Equity
As at April 2016	98,500	21,19,003	15,32,530	37,50,033
Profit for the year		(5,956)		(5,956)
Additions during the year		-	(3,25,549)	(3,25,549)
Balance as at March 31, 2017	89,938	21,13,047	12,06,980	34,18,528

The notes on pages 11 to 22 form an integral part of these financial statements.

Report of the independent auditor - pages 4-6

STATEMENT OF CASH FLOWS

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	41,710	30,65,859
Adjustments for		
Depreciation on equipment (Note 7)	2,96,939	3,01,213
Change in Working capital		
Inventories	3,06,290	37,74,500
Trade and other receivables	46,35,948	(50,73,451)
Trade and other payables	(40,41,215)	(19,43,867)
Cash Generated from Operations	**12,39,672**	**1,24,254**
Income tax paid	(6,26,355)	(8,18,229)
Net Cash generated from operating activities	6,13,318	(6,93,975)
Net increase in cash and cash equivalents	6,13,318	(6,93,975)
Cash and Cash equivalents at the beginning of the year	9,78,105	1,636
Currency transalation asjustment	(1,29,685)	16,70,444
Cash and Cash equivalents at the end of the year	**14,61,738**	**9,78,105**

The notes on pages 11 to 22 form an integral part of these financial statements.

Report of the independent auditor - pages 4-6

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES.

The principal accounting policies adopted in the preparation of these financial statements are set out 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.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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 and capital management are set out in notes 16 and 17 respectively.

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.

These financial statements comply with the requirements of the Ugandan Companies Act, 2012. The statement of profit or loss represent the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

New standards, amendments and interpretations issued but not effective

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 9 Financial Instruments (Issued in July 2014) will replace IAS 39 and will be effective for annual periods beginning on or after 1 January 2018. It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and de-recognition.
- IFRS 9 requires all recognised financial assets to be subsequently measured at amortised cost or fair value (through profit or loss or through retained earnings), depending on their classification by reference to the business model within which they are held and their contractual cash flow characteristics.
- In respect of financial liabilities, the most significant effect of IFRS 9 where the fair value option is taken will be in respect of the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is at is attributable to changes in the credit risk of that liability is recognised in other retained earnings (rather than in profit or loss), unless this creates an accounting mismatch.
- IFRS 15 Revenue from Contracts with Customers (issued in May 2014) effective for annual periods beginning on or after 1 January 2018, replaces IAS 11 ‘Construction Contracts’, IAS 18 ‘Revenue’ and their interpretations (SIC-31 and IFRIC 13,15 and 18).It establishes a single and comprehensive framework for revenue recognition based on a five-step model to be applied to all contracts with customers, enhanced disclosures, and new or improved guidance.

NOTES: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations issued but not effective (continued)

The directors expect that the future adoption of IFRS 9 and 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 uncertainty**

In the application of the accounting policies, the directors are required to make the judgements, 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 are recognised 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.

- **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.

- **Fair value measurement and valuation process** - In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the company makes use of financial models or engages third party qualified values to perform the valuation and provide inputs to the model.

- **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 cash flows expected.

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 goods/services 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/services. Following the detailed quantification of the company's liability in respect of rectification work, and the agreed limitation on the customers 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

d) **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for sale of goods, in the ordinary course of business and is stated net of Value Added Tax (VAT), 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 entity and when the specific criteria have been met for each of the company's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement.

(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) **Translation of foreign currencies**

Transactions in foreign currencies during the year are converted into INR, 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 equipment is initially recorded at cost and thereafter stated at historical cost less depreciation (except as stated below). Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

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 company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Depreciation on assets is calculated on straight line method to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

	Rates %
Furniture and fittings	20
Office equipment	20
Computer equipment	15

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss.

g) **Financial instruments**

Financial assets and financial liabilities are recognized 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 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. Such assets are carried at amortised cost using the effective interest rate method. Changes in the carrying amount are recognised in profit or loss.

NOTES : SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) **Financial instruments (continued)**

Financial assets (continued)

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 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.

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. Impairment losses are recognised in profit or loss. For available for sale assets cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

Subsequent recoveries of amounts previously written off/impaired are credited to profit or loss and for available for sale assets in other comprehensive income in the year in which they occur.

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). On disposal of assets whose changes in fair value were initially recognised in equity, the gains/losses are recycled to the statement of profit or loss. Any resultant surplus/deficit after the transfer of the gains/losses are transferred to retained earnings.

- **Financial liabilities**

The company's financial liabilities which include trade and other payables and current tax fall into the following category.

- **Financial liabilities measured at amortized cost:** These includes trade and other payables and current tax. These are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method.

  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 presented in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

h) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in first-out (FIFO) method. The cost of consumables, work-in-progress and finished goods comprises direct labour, other direct costs and related costs, attributable to bringing the inventory to its present location and condition but excludes borrowing costs. 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) **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.

NOTES : SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) **Taxation (continued)**

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 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.

j) **Share capital**

Ordinary shares are classified as equity.

k) **Retirement benefit**

The company and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

l) **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks, and financial assets with maturities of less than 91 days.

m) **Comparatives**

Where necessary, comparative figures have been adjusted to confirm with changes in the presentation in the current year.

NOTES (CONTINUED)

2. Revenue Form Operation

Particulars	31-Mar-17	31-Mar-16
Service Income	99,28,456	212,01,249
Total	**99,28,456**	**212,01,249**

3. Other Income

Particulars	31-Mar-17	31-Mar-16
Exchange gain/(Loss) Net	2,48,904	10,07,306
Total	**2,48,904**	**10,07,306**

4. Employee Benefit expenses

Particulars	31-Mar-17	31-Mar-16
Salaries	8,41,251	15,88,066
Total	**8,41,251**	**15,88,066**

5. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Rent	7,86,251	14,14,264
Repairs and Maintenance	1,27,556	2,28,606
Utilities	31,739	1,96,038
Insurance	14,899	22,157
Communication	2,05,370	2,95,880
Sales Promotion Expenses	-	34,313
Travelling Expenses	3,74,851	1,93,724
Professional Charges	40,255	1,34,470
Auditor's Remuneration(including remuner	3,33,082	2,97,272
Security Charges	41,225	-
Bank Charges	57,289	7,804
Miscellaneous Expenses	23,901	1,34,587
Total	**20,36,419**	**29,59,114**

6. Cost of Sales

Particular	31-Mar-17	31-Mar-16
Opening stock	5,66,986	4,647
Purchases	66,27,767	148,51,346
Closing stock	2,33,712	5,66,986
Cogs	69,61,041	142,89,008

NOTES (CONTINUED)

8. Property Plant Equipment

Description	Furniture & Fixtures	Office Equipments	Computers	Total
Cost				
As at 01.04.16	10,20,618	4,37,005	63,730	15,21,352
Additions	-	-	-	-
Assets of Subsidiaries acquired	-	-	-	-
Disposal	-	-	-	-
Translation adjustments	(88,720)	(37,988)	(5,540)	(1,32,248)
As at 31.03.17	**9,31,897**	**3,99,017**	**58,190**	**13,89,104**
Accumulated Depreciations				
As at 01.04.16	5,61,470	2,40,419	46,886	8,48,775
Additions	2,01,025	86,079	9,836	2,96,939
Assets of subsidiaries acquired	-	-	-	-
Disposals	-	-	-	-
Disposal of Assets of EA				-
Translation adjustments	(63,446)	(27,167)	(4,792)	(95,405)
As at 31.03.17	**6,99,049**	**2,99,330**	**51,930**	**10,50,309**
Carrying Amount				
As at 01.04.16	**4,59,148**	**1,96,586**	**16,844**	**6,72,578**
As at 31.03.17	**2,32,848**	**99,687**	**6,260**	**3,38,795**

NOTES (CONTINUED)

9. **Trade and other receivables**

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	36,89,186	38,89,667
(b) Other Trade receivables		-
Considered good	16,37,692	22,20,899
Total Trade and other receivable	**53,26,877**	**106,97,691**

In the opinion of the directors, the carrying amounts of trade and other receivables approximate to their fair value.

The carrying amounts of the companys trade and other receivables are denominated in the following currencies.

Particular	31-Mar-17	31-Mar-16
Uganda Shillings	47,92,486	21,22,892
US Dollars	7,29,969	86,32,914

In the estimate of the directors, the carrying amounts of the receivables and prepayments approximate to their fair value

As of 31 March 2017, trade receivables amounting to Shs 5 million (2015: Shs 23 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

Particulars	31-Mar-17	31-Mar-16
Over 3 months	3,15,069	4,69,136
Total	**3,15,069**	**4,69,136**

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

NOTES (CONTINUED)

10. **Cash and cash equivalents**

Particulars	31-Mar-17	31-Mar-16
(a) Balances with banks		
(i) In current accounts	14,61,738	9,78,105
Total	**14,61,738**	**9,78,105**

For the purpose of statement of cash flows, the year end cash and cash equivalents comprise the above.

The company is not exposed to credit risk on cash and bank balances as these are held with sound financial institutions.

The carrying amounts of the company's cash and cash equivalents are denominated in the following currencies.

Particular	31-Mar-17	31-Mar-16
Uganda Shillings	3,23,416	4,92,966
US Dollars	11,38,322	4,00,114
Total	14,61,738	8,93,080

11. Other Current Assets

Particulars	31-Mar-17	31-Mar-16
Corporate Tax Recoverable	5,79,090	5,74,452
Prepayments	1,95,578	58,115
Total	**7,74,668**	**6,32,567**

12. Trade Paybles

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	11,36,685	15,42,530
Due to related parties	28,11,125	61,10,763
(b) Other Payables	8,30,556	16,83,661
Total Trade Payables	**4778366**	**9336953**

In the opinion of the directors, the carrying amount of trade and other payables aproximate to their fair value. The above analysis represents the earliest contractual date that payment can be demanded. The date of actual payment may be different.

The carrying amounts of the company's trade and other payables are denominated in the following

Particular	31-Mar-17	31-Mar-16
Uganda Shillings	16,07,311	16,69,457
US Dollars	31,71,055	68,55,852

The maturity analysis of company's trade and other payables is as follows:

For the year ended 31 March, 2017			
Particular	**0 to 1 Months**	**2 to 3 Months**	**Total**
Trade payables	-	11,36,685	11,36,685
Accruals	7,54,648	-	7,54,648
Other Payables	75,907	-	75,907
Amount due to related party	4,14,720	23,96,405	28,11,125
Total	**12,45,276**	**35,33,090**	**47,78,366**

For the year ended 31 March, 2016			
Particular	**0 to 1 Months**	**2 to 3 Months**	**Total**
Trade payables	15,42,530	-	15,42,530
Accruals	11,79,045	-	11,79,045
Other Payables	5,24,316	-	5,24,316
Amount due to related party	-	61,10,763	61,10,763
Total	**32,45,890**	**61,10,763**	**93,56,653**

13. Related party transactions and balances

The company is controlled by Ensure Gulf Fze incorporated in Dubai zone, UAE which owns 99% of the company's shares. The remaining 1% of the shares are held by Cadensworth Fze. The ultimate parent company is Reddington Uganda.

The following transactions were carried out with related parties

i) Sale of services

Particulars	31-Mar-17	31-Mar-16
Immediate Parent Company	-	145,61,202

(ii) Purchase of Service

Particulars	31-Mar-17	31-Mar-16
Immediate Parent Company	64,74,581	115,61,754

iii) Receivables to related parties

Particulars	31-Mar-17	31-Mar-16
Due from Related Parties	28,11,125	61,10,763
Total	**28,11,125**	**61,10,763**

iv) Payables to related parties

Particulars	31-Mar-17	31-Mar-16
Due to Related Parties	-	45,87,125
Total	-	**45,87,125**

14. Risk management objectives and policies

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk.

The company's overall risk management programme focuses on the unpredictabiluty of the financial markets and seeks to minimise potential adverse effects on the company's financial performance.

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.

a) **Market Risk**

- Foreign exchange risk

The company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar. The risk arises from future transactions, assets and liablilties in the statement of financial position.

NOTES (CONTINUED)

15. **Risk management objectives and policies (continued)**

- ***Foreign exchange risk(continued)***

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.
Effect on profit in Shillings:

Particular	31-Mar-17	31-Mar-16
Effect on Profit Decrease	(98,359)	(1,33,528)

(b) **Credit risk**

Credit risk arises from cash and cash equivalents, and credit exposures to customers, including outstanding

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, 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.

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**

Cash flow forecasting is performed by the finance department of the company by monitoring the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits or covenants (where applicable) on any of their borrowings.

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.

Note 13 discloses the maturity analysis of trade and other payables.
The table below disclose the undiscounted maturity profile of the company's financial liabilities:

Particular	Less than Six Month	Between 6 - 12 month	Total
Year ended 31 March 2017			
Non interest bearing liabilities			
Trade and Other Payables	12,45,276	35,33,090	47,78,366
Year ended 31 March 2016			
Non interest bearing liabilities			
Trade and Other Payables	32,26,190	61,10,763	93,36,953

16. **Capital management**

Internally imposed capital requirements

The group's objectives when managing capital are:

a. to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk;
b. to comply with the capital requirements set out by the company's bankers;
c. 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
d. to maintain a strong asset base to support the development of business.
e. 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 company 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 company 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).

The debt-to-capital ratio at 31 March 2017 was nil because the company had no borrowings.

17. **Country of incorporation**

Ensure Services Uganda Limited is incorporated in Uganda under the companies Act as a private limited liability and is domiciled in Uganda.

18. **Presentation currency**

The financial statements are presented in thousands of Indian Rupees

ENSURE TECHNICAL SERVICES TANZANIA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

CONTENTS **PAGE**

COMPANY INFORMATION

CHIEF OFFICERS	: Mr. Thyagurajulu Kadiyala - Regional Manager - Finance & Administration : Mr. Subash Chandra - Assistant Manager - Finance & Administration
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	: Plot No 598, Shop No 11A Swiss Tower, United Nations Road, Upanga P.O. Box 38096 Dar es Salaam Tanzania.
INDEPENDENT AUDITOR	: Nexia SJ Tanzania Certified Public Accountants 1st Floor, Oyster Plaza, Haile Selassie Road P.O. Box 12729 Dar es Salaam Tanzania.
COMPANY SECRETARY	: Corporate and Legal Services Limited 1st Floor, Oyster Plaza, Haile Selassie Road P.O. Box 12729 Dar es Salaam Tanzania.
PRINCIPAL BANKER	: Diamond Trust Bank Tanzania Limited Main Branch, Jamat/ Mosque Street P.O.Box 115 Dar es Salaam Tanzania.
PARENT COMPANY	: Ensure Gulf FZE Warehouse No. RA08BA03 P.O.Box 172666 Jebel Ali, Dubai United Arab Emirates.
HOLDING COMPANIES	: Redington International Mauritius Limited, Mauritius : Redington Gulf FZE, Dubai
ULTIMATE HOLDING COMPANY	: Redington (India) Limited, India

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 March 2017, which disclose the state of affairs of the company.

INCORPORATION

Ensure Technical Services Tanzania Limited was incorporated on 21 December 2012 under the Companies Act 2002 and commenced operations in July 2013.

COMPANY'S VISION

To be the number one service provider for all global brands in Information Technology and Telecommunications for the Middle East, Africa, Turkey and the CIS countries.

COMPANY'S MISSION

To provide best value proposition to our vendors and reseller partners through innovation and responsiveness; and be partner of choice for them.

PRINCIPAL ACTIVITIES

The principal activities of the company are to provide consultancy and other services and act as consultants and technical advisers in the field of computers, computer software, hardware, information and management system and in the field of electronics.

COMPOSITION OF THE BOARD OF DIRECTORS

The directors who held office during the year and at the date of this report are shown below:

Name	Age	Position	Nationality	Qualification	Date of appointment
Mr. Raj Shankar	59	Director	Singaporean	Post graduate	01-July-14
Mr. Sriram Ganeshan	44	Director	Indian	Chartered Accountant	01-July-14

CORPORATE GOVERNANCE

The board of Ensure Technical Services Tanzania Limited consists of two directors of which none hold executive position in the company. The board takes overall responsibility for the company, including responsibility for identifying key risk areas, considering and monitoring significant investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The board is required to meet at least four times a year. The board delegates the day to day management of the business to the Managing Director and Chief Executive Officer assisted by senior management. Senior management is invited to attend board meetings and facilitates the effective control of all the company's operational activities, acting as a medium of communication and coordination between all the various business units.

REPORT OF THE DIRECTORS (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability to ensure high standards of corporate governance throughout the company.

SHARE CAPITAL

The authorised share capital of the company is Tanzanian Shillings 1,000,000,000 divided into 100,000 ordinary shares of Tanzanian Shillings 10,000 each. The paid up share capital of the company is TShs 1,000,000.

SHAREHOLDERS OF THE COMPANY

The shareholders of the company with their respective shareholdings is as follows:

Name of shareholders	% shareholding	No of shares held
Ensure Gulf FZE	99%	99
Cadensworth FZE	1%	1
	100%	**100**

FUTURE DEVELOPMENT PLANS

The company intends to form partnership with more international vendors in an attempt to provide related after sales services on various information technology and telecommunication brands to final consumers and thereby widening market share.

DIVIDEND

The directors do not recommend the declaration of a dividend for the period.

RISK MANAGEMENT AND INTERNAL CONTROL

The board accepts final responsibility for the risk management and internal control systems of the company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company's system is designed to provide the board with reasonable assurance that the procedures in place are operating effectively.

The board assessed the internal control systems throughout the financial year ended 31 March 2017 and is of the opinion that they met the accepted criteria.

SOLVENCY

The board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The board of directors has reasonable expectation that Ensure Technical Services Tanzania Limited has adequate resources to continue in operational existence for the foreseeable future.

REPORT OF THE DIRECTORS (CONTINUED)

EMPLOYEES' WELFARE

Management and employees' relationship

The company had no employees. (2016: 4)

RELATED PARTY TRANSACTIONS

Details of transactions and balances with related parties are included in note 16 of the financial statements.

CORPORATE SOCIAL RESPONSIBILITY

The company pays due respect to its macro and micro environment through ensuring the following:

- An equal opportunity employer aiming to ensure that everyone working for us is treated fairly and given the maximum opportunity to fulfill their potential and that all our workplaces are safe and healthy.

- Minimize the use of papers and energy with consideration given to the effects of global warming.
- Ensuring that customers get value for money services by providing efficient and effective service.
- Improve the locality through fair and honest treatment towards all stakeholders in an effort to uphold economic and social standards of the country.

INDEPENDENT AUDITOR

The company's auditors, Nexia SJ Tanzania have expressed their willingness to continue in office in accordance with Section 170 of the Companies Act 2002 and are eligible for re-appointment. A resolution proposing the re-appointment as auditor of the company for the year ended 31 March 2018 will be tabled in the Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required in terms of the Companies Act of 2002 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and the requirements of the Companies Act of 2002. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of 2002, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments 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 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 endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior 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 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 2018 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 7 to 9.

DECLARATION OF THE FINANCE MANAGER OF ENSURE TECHNICAL SERVICES TANZANIA LIMITED

The National Board of Accountants and Auditors (NBAA) according to the power confered under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as under Directors Responsibility statement on an earlier page.

For the year ended 31 March 2017(IN Indian Rupees)

STATEMENT OF COMPREHENSIVE INCOME

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations	2	75,23,874	192,03,680
(b)Other gain / (losses)	3	4,70,989	48,08,710
(c) Total Revenue(a+b)		**79,94,862**	**240,12,390**
(d) Expenses			
Purchase of traded goods		40,87,688	103,53,486
Changes in inventories		18,10,539	29,99,676
Employee Benefits	4	-	27,54,772
Depreciation & Amortisation		3,41,819	5,82,806
Other Expenses	5	21,38,312	72,96,722
Total Expenses(d)		**83,78,359**	**239,87,462**
Profit before Corporate social responsibility expenditure and Tax		(3,83,497)	24,928
Profit before exceptional items and tax		(3,83,497)	24,928
e.Profit before tax (c-d)		**(3,83,497)**	**24,928**
Income Tax expense:			
Current tax		1,23,167	(7,524)
g.Share of Loss of Associate		-	-
h.Profit for the Year (e-f-g)		**(2,60,330)**	**17,404**
Total Comprehensive Income for the Year attributable to (h+k)		(2,60,330)	17,404
Profit for the year attributable to the :-			
Shareholders of the Company		(2,60,330)	17,404
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		(2,60,330)	17,404

The significant accounting policies on pages 14 to 22 and the notes on pages 23 to 30 form an integral part of these financial statements.

Report of the independent auditor - pages 7 to 9.

For the year ended 31 March 2017(IN Indian Rupees)

STATEMENT OF FINANCIAL POSITION

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	6	3,37,532	7,89,603
Other Intangible assets(Software)	7	-	18,831
Deferred Tax Assets (Net)		6,39,394	6,44,364
Total Non Current Assets		**9,76,926**	**14,52,798**
Current Assets			
Inventories	8	26,28,625	44,39,164
Financial assets			
(i) Trade receivables	8	186,70,090	327,87,466
(ii) Cash and bank balances	9	18,17,349	13,53,061
Total Current assets		**231,16,063**	**385,79,691**
Total Assets		**240,92,989**	**400,32,489**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		29,118	35,800
Other Equity			
Other reserves		(8,25,910)	17,404
Retained earnings		(2,42,926)	(10,31,869)
Equity attributable to the owners of the Company		**(10,39,718)**	**(9,78,665)**
Non-Controlling interests		-	-
Total Equity		**(10,39,718)**	**(9,78,665)**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	10	251,32,708	410,11,154
Total Current Liabilities		**251,32,708**	**410,11,154**
Total Equity and Liabilities		**240,92,989**	**400,32,489**

Mr. Raj Shankar
Director

Mr. Sriram Ganeshan
Director

The significant accounting policies on pages 14 to 22 and the notes on pages 23 to 30 form an integral part of these financial statements.

Report of the independent auditor - pages 7 to 9.

For the year ended 31 March 2017(IN Indian Rupees)

STATEMENT OF CHANGES IN EQUITY

Particulars	Share capital	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	35,800	17,404	(10,31,869)	(9,78,665)
Profit for the year		(2,60,330)		(2,60,330)
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	1,99,276	1,99,276
Deduction				-
Balance as at March 31, 2017	29,118	(2,42,926)	(8,32,593)	(10,39,718)

The significant accounting policies on pages 14 to 22 and the notes on pages 23 to 30 form an integral part of these financial statements.

Report of the independent auditor - pages 7 to 9.

For the year ended 31 March 2017(IN Indian Rupees)

STATEMENT OF CASH FLOWS

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	(3,83,497)	24,928
Adjustments for		
Depeciation & Amoritisation	3,41,819	5,82,806
Change in Working capital		
Trade and Other Payables	(87,84,000)	2,04,33,930
Trade and Other Receivables	85,42,550	(2,35,17,250)
Inventories	10,48,846	26,30,208
Net cash flow from operating activity	**7,65,718**	**1,54,622**
Net increase in cash and cash equivalents	7,65,718	1,54,622
Cash and Cash equivalents at the beginning of the year	13,53,061	12,98,336
Currency transalation asjustment	(3,01,430)	(99,897)
Cash and Cash equivalents at the end of the year	**18,17,349**	**13,53,061**

The significant accounting policies on pages 14 to 22 and the notes on pages 23 to 30 form an integral part of these financial statements.

Report of the independent auditor - pages 7 to 9.

SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IND AS) and the requirement of Companies Act of United 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.

Going concern

The financial performance of the company is set out in the Director's report and in the statement of comprehensive income. 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 17.

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 forseeable future and as a result the financial statements are prepared on a going concern basis.

These financial statements comply with the requirements of the Tanzania Companies Act 2002. The statement of comprehensive income represents the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

New and ammended standards adopted by the company

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year except for the adoption of new standards and interpretations which were effective for annual periods beginning on or after 1 April 2016. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Changes resulting from the following new or revised standards and interpretations, amendments to existing standards and interpretations and improvements to IND AS that were effective for the current reporting period did not have any impact on the accounting policies, financial position or performance of the Company.

The new standards or amendments are listed below:

a) Amendments to IND AS 16 Property, Plant and Equipment and IND AS 38 Intangible Assets
b) Amendments to IND AS 16 and IND AS 41 Agriculture: Bearer Plants
c) Amendments to IND AS 27: Equity Method in Separate Financial Statements
d) Amendments to IND AS 111 Joint Arrangements: Accounting for Acquisitions of Interests
e) IND AS 114 Regulatory Deferral Accounts
f) Amendments to IND AS 110, IND AS 112 and IND AS 28 Investment Entities: Applying the Consolidation Exception
g) Amendments to IND AS 1 Disclosure Initiative
h) Annual Improvements 2012-2014 Cycle
   • IND AS 105 Non-current Assets Held for Sale and Discontinued Operations
   • IND AS 107 Financial Instruments: Disclosures
   • IND AS 19 Employee Benefits
   • IND AS 34 Interim Financial Reporting

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when applicable as they become effective.

The Company expects that adoption of these standards, amendments and interpretations in most cases not to have any significant impact on the Company's financial position or performance in the period of initial application. In cases where it will have an impact, the Company is still assessing the possible impact.

For the year ended 31 March 2017(IN Indian Rupees)

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective (continued)

Standard issued but not effective	Effective date on or before
IND AS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IND AS 12	01-Jan-17
IND AS 7 Disclosure Initiative – Amendments to IND AS 7	01-Jan-17
IND AS 115 Revenue from Contracts with Customers	01-Jan-18
IND AS 109 Financial Instruments	01-Jan-18
IND AS 104 Applying IND AS 109 Financial Instruments with IND AS 104 Insurance	01-Jan-18
IND AS 102 Classification and Measurement of Share-based Payment	01-Jan-18
IND AS 116 Leases	01-Jan-19

b) Key sources of estimation uncertainty

In the application of the accounting policies, the directors are required to make judgements, 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 are recognised 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:

(i) Useful life of equipment - Management reviews the useful lives and residual values of the items of equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

(ii) Useful life of intangible asset - Management reviews the useful lives and residual values of the intangible asset on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

(iii) Operating lease commitment

The company has entered in to leases over its office premises and warehouse. Management has determined that the company has not obtained substantially all the risks and rewards of ownership of the properties, therefore the leases have been classified as operating leases and accounted for accordingly.

(iv) Revenue recognition

In making their judgement, the directors considered the detailed criteria for the recognition of revenue from the performance of services set out in IND AS 18.

(v) Provision for doubtful debts

Provision is made against accounts that in the estimation of management may be impaired. The management assess the recoverability of the accounts receivable based on a range of factors including the age of the receivable and the creditworthiness of the customer. The management on a regular basis estimates the likely financial condition of the customer and their ability to subsequently make payment.

(vi) Equipment

Critical estimates are made by the directors in determining depreciation rates and useful lives for equipment. For assets purchased before end of the month of June (before mid year), a full years depreciation is charged. For assets purchased after end of the month of June (after mid year) half years depreciation is charged. The depreciation rates used are set out in the accounting policy under equipment.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Key sources of estimation uncertainty (continued)

(viii) Taxes

The Company is subjected to several taxes and levies by various government and quasi- government regulatory bodies. As a rule of thumb, the Company recognizes liabilities for the anticipated tax/levies payable with utmost care and diligence. However, significant judgment is usually required in the interpretation and applicability of those taxes/levies. Should it come to the attention of management, in one way or the 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.

c) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and performance of services, in the ordinary course of business and is stated net of Value Added Tax (VAT), rebates and discounts.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met of the company's activities. The company bases its estimates on results, taking into consideration the type of customer, type of transaction and specifics of each arrangement. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved.

Sales of goods are recognised upon delivery of products and customer acceptance.

Sales of services are recognised upon performance of the services rendered by reference to the stage of completion of the service contract.

On the sales of spares, a mark up of 30% is added to cost of the product to arrive at the selling price.

Costs incurred in providing repair services to the equipments that are under the warranty period are reimbursed in full by the manufacturer of that equipment thus only the labour charges earned for providing these services are recognised as revenue.

d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Tanzanian 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 translated using the exchange rate at the date of transaction.

The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise except for:

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Equipment

All equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

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 company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Depreciation is calculated on the straight line method to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

Item	**Rates %**
Computer and networking equipment	33.33
Furniture, fixture and office equipment	20
Motor vehicles	33.33

The assets residual values and useful lives are reviewed and adjusted if appropriate, at the statement of financial position date.

Gains and losses on disposal of equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating loss.

f) Intangible asset

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimates being accounted for on a prospective basis.

Computer software

Computer software is 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 which are estimated to be 3 years.

g) Impairment of non-financial assets 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).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each statement of financial position date.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments

Classification
The company classifies financial assets and financial liabilities into the following categories:
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition.

Financial assets

The company's financial assets which include trade and other receivables and cash and cash equivalents fall in the following category:

Loans and receivables: financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the statement of financial position date. All assets with maturities greater than 12 months after the statement of financial position date are classified as non-current assets. Changes in the carrying amount are recognised in the statement of comprehensive income.

Management classify the fair values of financial assets based on the qualitative characteristics of the fair valuation as at the financial year end. The three hierarchy levels used by management are:

Level 1: where fair values are based on non-adjusted quoted prices in active markets for identical financial assets.

Level 2: where fair values are based on adjusted quoted prices and observable prices of similar financial assets.

Level 3: where fair values are not based on observable market data.

Financial liabilities

The company's financial liabilities which include trade and other payables and borrowings fall into the following category:

Financial liabilities measured at amortised cost: These include trade and other payables and borrowings. These are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Trade and other payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

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 statement of financial position date.

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

Initial recognition and measurement (continued)

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 recognised in profit or loss.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled or expired.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in the statement of comprehensive income.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in the statement of comprehensive income except for equity investments classified as available for-sale.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in the statement of comprehensive income within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

Loans to/(from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised 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 amortised cost.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised 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.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, 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, net of bank overdrafts. These are initially and subsequently recorded at fair value.

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.

Cash and cash equivalents are classified as loans and receivables.

Borrowings

Loans from group companies and other borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

i) Inventory

Inventories are measured at the lower of cost and net realisable value on weighted average cost basis.

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 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.

j) Share capital

Ordinary shares are classified as equity.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets and liabilities

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.

l) Accounting for 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 Lease

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

m) Provisions

A provision for impairment is established when there is objective evidence that the company will not be able to collect the amounts due according to the original terms of the original receivable. Allowances for impairment are recorded in the year in which they are identified.

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.

n) Employee entitlements

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.

Retirement benefit obligations

The company and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to the statement of comprehensive income in the year to which they relate.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Employee entitlements (continued)

Workers compensation fund (WCF)

Workers Compensation Fund (WCF) is a social security scheme established by the government responsible for compensating workers who suffer occupational injuries or contract occupational diseases arising out of and in the course of their employment.

Private entities are statutorily required to contribute 1% of monthly employees' earnings (wage bill) to the Fund. Monthly employees' earnings (wage bill) include basic salaries plus all fixed allowances which are regularly paid along with basic salaries. The contributions are part of Company's costs and are not deducted from salaries of the employees.

Once the payment has been effected by the Company to the Fund, there is no further obligation to the Company for any claim from the employee out of the occupational injuries suffered by them.

o) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in the presentation in the current year.

For the year ended 31 March 2017 IN Indian Rupees)

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparing the financial statements

As at 31 March 2017, the company has reported a net current liability amounting to TShs 69,256,564 (2016: TShs. 67,916,284) and loss before tax TShs 12,330,622 (2016: profit before tax TShs. 656,966). The company meets its day to day working capital requirements through borrowings from its related parties.

The parent company and majority shareholder, Ensure Gulf FZE, has confirmed that it is committed to the Tanzanian market and will ensure the company is adequately funded will to meet its working capital requirements. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis, which assumes that the company will be in operational existence for the foreseeable future.

2. Revenue

Particulars	31-Mar-17	31-Mar-16
Sales	75,23,874	91,92,732
Service Income	-	99,00,178
Other operating revenues	-	1,10,770
Total	**75,23,874**	**1,92,03,680**

3. Other Gain

The following items have been charged in arriving at the operating loss:

Particulars	31-Mar-17	31-Mar-16
Exchange gain/(Loss) Net	4,70,989	48,08,710
Total	**4,70,989**	**48,08,710**

4. Employment Benefit

Particulars	31-Mar-17	31-Mar-16
Salaries	-	19,65,930
Total	**-**	**27,54,772**

5. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Rent	-	24,59,056
Repairs and Maintenance	1,32,280	3,36,300
Utilities	3,11,027	3,73,464
Insurance	-	15,960
Communication	6,22,054	6,06,632
Travelling Expenses	7,40,649	5,80,640
Professional Charges	33,218	11,23,660
Bad Debts	-	10,50,434
Provision for Doubtful receivables	(1,98,093)	2,41,984
Auditor's Remuneration(including remune	2,43,006	3,34,400
Bank Charges	27,308	60,572
Miscellaneous Expenses	2,26,863	1,13,620
Total	**21,38,312**	**72,96,722**

For the year ended 31 March 2017 IN Indian Rupees)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Equipment

Description	Furniture & Fixtures	Computers	Vehicles	Total
Cost				
As at 01.04.16	15,36,088	2,30,301	2,68,625	20,35,014
Additions	-	-	-	-
Assets of Subsidiaries acquired	-	-	-	-
Disposal	-	-	-	-
Translation adjustments	(2,86,723)	(42,988)	(50,141)	(3,79,852)
As at 31.03.17	**12,49,365**	**1,87,314**	**2,18,484**	**16,55,163**
Accumulated Depreciations				
As at 01.04.16	8,37,738	1,61,386	2,46,286	12,45,411
Additions	2,66,892	39,158	19,408	3,25,459
Assets of subsidiaries acquired	-	-	-	-
Disposals	-	-	-	-
Disposal of Assets of EA				-
Translation adjustments	(1,73,404)	(32,623)	(47,210)	(2,53,238)
As at 31.03.17	**9,31,226**	**1,67,921**	**2,18,485**	**13,17,632**
Carrying Amount				
As at 01.04.16	**6,98,350**	**68,915**	**22,338**	**7,89,603**
As at 31.03.17	**3,18,139**	**19,392**	**0**	**3,37,532**

In the opinion of directors, there is no impairment in the value of equipment.

For the year ended 31 March 2017 IN Indian Rupees)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Intangible asset

Particulars	Software	Total
Cost		
As at 01.04.16	2,26,614	2,26,614
Additions	-	-
Assets acquired on acquisition	-	-
Disposals	-	-
Translation adjustment	(42,299)	(42,299)
As at 31.03.17	**1,84,315**	**1,84,315**
Accumulated Depreciation		
As at 01.04.16	2,07,783	2,07,783
Additions	16,360	16,360
Disposals	-	-
Translation adjustment	(39,829)	(39,829)
As at 31.03.17	**1,84,315**	**1,84,315**
Carrying Amount		
As at 01.04.16	**18,831**	**18,831**
As at 31.03.17	**-**	**-**

The intangible asset relates to computer support software. In the opinion of the directors, there is no impairment in the value of intangible assets.

8. Inventories

Particulars	31-Mar-17	31-Mar-16
Trading Stocks	25,34,633	33,81,954
(b) Goods In Transist	93,992	10,57,210
(c) Service Spares		-
Total	**2628625**	**44,39,164**

8. Trade and other receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	15,10,653	3,68,847
(c) Receivables from releted parties	1,57,68,196	2,42,27,184.60
(b) Other Trade receivables		-
Considered good	13,91,241	81,91,434
Total Trade and other receivable	**1,86,70,090**	**3,27,87,466**

In the opinion of the directors, the carrying amounts of the company's trade and other receivables approximate to their fair value. The company's credit risk arises primarily from trade receivables. The directors are of the opinion that the company's exposure is limited because the debt is widely held.

The carrying amounts of trade and other receivables are denominated in the following currencies:

The ageing analysis of these trade and other receivables is as follows:

Particulars	31-Mar-17	31-Mar-16
1 to 3 months	15,10,653	33,42,682
4 to 12 months	11,85,554	1,38,868
Over 12 months	1,59,73,883	2,93,05,952
Total	**1,86,70,090**	**3,27,87,502**

9. Cash and cash equivalents

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	-	2,48,022
(b) Balances with banks		
(i) In current accounts	18,17,349	11,05,039
Total	**18,17,349**	**13,53,061**

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the above.

The company is not exposed to credit risk on cash and bank balances as these are held with sound financial institution.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. **Trade and other payables**

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	7,77,237	19,17,233
(b) Other Payables	2,43,55,469	3,90,93,921
Total Trade Payables	**25132707**	**41011154**

In the opinion of the directors, the carrying amounts of trade and other payables approximate to their fair value.

The carrying amounts of trade and other payables are denominated in the following currencies:

	2017	2016
	TShs '000	**TShs '000**
Tanzanian Shillings	828,636	1,145,561
US Dollars	34,506	-
	863,142	**1,145,561**

The maturity analysis based on ageing of trade and other payables is as follows:

Particular	1 to 3 Month	4 to 12 Month	Total
Trade payables	7,77,237	-	7,77,237
Accruals and provisions	2,48,606	-	2,48,606
Amounts due to related parties {Note 16(i)}	-	2,41,06,791	2,41,06,791
Total	10,25,844	2,41,06,791	2,51,32,635

For the year ended 31 March 2017 IN Indian Rupees)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Related party transactions and balances

The company is controlled by Redington (India) Limited, incorporated in India through Ensure Gulf FZE and Cadensworth FZE who owns 99% and 1% of the company's shares respectively.

The following balances arose out of transactions carried out with related parties:

Particular	31-Mar-17	31-Mar-17
Redington Tanzania Limited	2,41,06,791	3,22,23,974
Cadensworth FZE	-	64,35,587
Redington Gulf FZE	-	(21,158)
Ensure Gulf FZE	(1,57,68,196)	(2,42,06,027)
Total	**83,38,595**	**1,44,32,376**
Sale of goods and services		
Redington Tanzania Limited	-	2,46,620
Cadensworth FZE	-	13,07,580
Total	-	**15,54,200**
(iii) Purchase of goods and services		
Redington Tanzania Limited		1,38,396
Cadensworth FZE		15,31,476
Redington Gulf FZE		1,40,106
Total		**18,09,978**

11. Risk management objectives and policies

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, and interest rate risk), credit risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out by the management under policies approved by the board of directors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Risk management objectives and policies (continued)

(i) Market risk

- Foreign exchange risk

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from future transactions, assets and liabilities in the statement of financial position.

The company does not hedge foreign exchange fluctuations.

The table below summarises the effect on post-tax profit had the Tanzanian Shilling weakened by 10% against the US Dollar, with all other variables held constant. If the Tanzanian Shilling strengthened against the US Dollar, the effect would have been the opposite.

	2017	**2016**
Effect on (loss)/profit before tax - decrease	1950172	2691198

(ii) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions as well as credit exposures to customers including outstanding receivables.

Management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors.

Exposure to this risk has been quantified in each financial asset note in the financial statements along with any concentration of risk.

(iii) 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 businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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.

Cash flow forecasting is performed by the finance department of the company by monitoring the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits on any of its borrowing facilities.

13. Capital management

Internally imposed capital requirements

The company's objectives when managing capital are:

- to provide an adequate return to shareholders by pricing products commensurate with the level of risk;
- to comply with the capital requirements set out by the company'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;
- to maintain a strong asset base to support the development of business and;
- to maintain an optimal capital structure to reduce the cost of capital.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Capital management (continued)

The company sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustment 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 company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

15. 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.

16. Presentation currency

These financial statements are presented in Indian Rupees INR

ENSURE GHANA LIMITED

REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

ROBERT OFORI & PARTNERS
Chartered Accountants
P.O.BOX MP 946
Mamprobi - Accra

COMPANY INFORMATION

Directors	Ensure Gulf FZE
Secretary	
Company Number	
Registered Office	P.O.BOX GP 453 Accra - Ghana
Auditors	Robert Ofori & Partners (Chartered Accountants) P.O.BOX MP 946 Mamprobi - Accra
Bankers	

ENSURE GHANA LIMITED

Financial Statements
For the year ended 31st March, 2017

DIRECTORS' REPORT

The Directors presents their report and Financial Statements for the year ended 31st March, 2017.

Directors and their Interests:

The Directors who served during the year and their interest in the company are as stated below:

	Ordinary Shares of no par value	
	31st March, 2017	1st April, 2016
Directors / Shareholders:		
Ensure Gulf FZE	256,000.00	256,000.00

Auditors

In accordance with section 134 (5) of the Companies Code, 1963 (Act 179) Robert Ofori & Partners (Chartered Accountants) should continue as Auditors of the company.

This Report was approved by the Board on ....and signed on its behalf by:

ON BEHALF OF THE BOARD

....
SECRETARY

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

ROBERT OFORI & PARTNERS

(Chartered Accountants & Management Consultants)
BEHIND OFANKOR NEW MKT HOUSE NO. 29
P. O. BOX MP 946, Mamprobi, Accra
P. O. BOX 14569, Adum, Kumasi
Telephone 0302-320525, Mobile: 0244-959032
E-mail: rop.ghana95@yahoo.com

REPORT OF THE AUDITORS FOR THE YEAR ENDED 31ST MARCH, 2017

We have audited the financial statements of Ensure Ghana Limited which comprises the statement of financial position as at 31st March, 2017 and the statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year the ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements present fairly, in all material respects the financial position of the Company as at 31st March, 2017 and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards and in the manner required by Ghana Companies Code 1963 (Act 179).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

There were no major audit observations raised in the audit of the financial statements.

Responsibilities of Directors

The Directors of the Company are responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRS and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The Directors are charged with overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion, Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we performed 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 risk of material misstatement of the financial statements, whether due to fraud or error. In making those 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 directors, as well as evaluating the overall presentation of the financial statements.

Report on Other Legal and Regulatory Requirement

The Companies Code, 1963 (Act 179, Section 133 and the fifth schedule) requires that in carrying out our audit, we consider and report on the matters stated in the said section and schedule. We confirm compliance in that:

We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and

The Company's Statement of Financial Position and the Statement of Comprehensive Income of the Company are in agreement with the books of account.

The engagement partner on the audit resulting in this independent Auditors' Report is

ROBERT OFORI – ICAG/P/1273

ON BEHALF OF

Robert Ofori & Partners

ROBERT OFORI & PARTNERS – ICAG/F/167

DATE: 5th MAY, 2017

ROBERT OFORI & PARTNERS
Chartered Acc. & Manag. Consultants
P. O. BOX M 946
MAMPROBI—ACCRA

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

Statement of Financial Position

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	2	89,222	1,85,024
Other Intangible assets(Software)	3	-	4,090
Total Non Current Assets		**89,222**	**1,89,114**
Current Assets			
Inventories	4	65,21,198	65,88,565
Financial assets			
(i) Trade receivables	5	32,44,241	2,77,396
(ii) Cash and bank balances	6	6,64,747	1,26,558
Other Current Assets	7	2,56,780	11,68,939
Total Current assets		**106,86,967**	**81,61,458**
Total Assets		**107,76,189**	**83,50,572**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		38,91,764	44,55,885
Other Equity			
Other reserves		(2,46,533)	11,43,110
Retained earnings		13,70,204	(96,342)
Equity attributable to the owners of the Company		**50,15,435**	**55,02,652**
Non-Controlling interests		-	-
Total Equity		**50,15,435**	**55,02,652**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	8	41,58,198	10,09,032
Deffered Tax Liabilities		11,25,541	9,55,491
Current tax liabilities (net payables)		76,771	3,33,199
Other Current Liablities	9	4,00,244	5,50,197
Total Current Liabilities		**57,60,753**	**28,47,920**
Total Equity and Liabilities		**107,76,189**	**83,50,572**

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

Statement of Comprehensive Income

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations	10	152,33,267	289,91,917
(b)Other gain / (losses)	11	9,91,380	8,12,023
(c) Total Revenue(a+b)		**162,24,647**	**298,03,940**
(d) Expenses			
Purchase of traded goods		79,67,709	188,89,735
Changes in inventories		67,367	(26,03,169)
Employee Benefits	12	16,45,349	22,20,579
Depreciation & Amortisation		82,358	1,69,473
Other Expenses	13	61,51,521	96,59,270
Total Expenses(d)		**159,14,304**	**283,35,888**
Profit before Corporate social responsibility expenditure and Tax		3,10,343	14,68,051
Profit before exceptional items and tax		3,10,343	14,68,051
e.Profit before tax (c-d)		**3,10,343**	**14,68,051**
Current tax		(83,248)	(3,24,942)
h.Profit for the Year (e-f-g)		**2,27,095**	**11,43,110**
Total Comprehensive Income for the Year attributable to (h+k)		2,27,095	11,43,110
Profit for the year attributable to the :-			
Shareholders of the Company		2,27,095	11,43,110
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		2,27,095	11,43,110

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

Statement of Changes in Equity

Particulars	Share capital	Retained earnings	Foreign currency transalati	Total Equity
As at April 2016	44,55,885	11,43,110	(96,342)	55,02,652
Profit for the year		2,27,095		2,27,095
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	(7,14,312)	(7,14,312)
Deduction				-
Balance as at March 31, 2017	38,91,764	13,70,204	(8,10,654)	50,15,435

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

Cash Flow Statement

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	3,10,343	14,68,051
Adjustments for		
Depritiation	78,484	1,53,245
Amortisation	3,874	16,228
Change in Working capital		
Increase in Inventories	(8,31,444)	35,79,926
Increase in Trade and other receivables	(24,26,597)	68,88,482
Increase in Trade and other payables	35,53,383	(112,75,950)
Decrease in Accruals	(87,073)	(8,06,761)
Cash Generated from Operations	**6,00,970**	**23,221**
Net Cash generated from operating activities	6,00,970	23,221
Net increase in cash and cash equivalents	6,00,970	23,221
Cash and Cash equivalents at the beginning of the year	1,26,558	86,575
Currency transalation asjustment	(62,781)	16,761
Cash and Cash equivalents at the end of the year	**6,64,747**	**1,26,558**

NOTES TO THE FINANCIAL STATEMENTS

1 (a) **Principal Accounting Policies:**
The Principal Accounting Policies of the Company has been incorporated in the relevant notes to the Accounts as set out below:

(b) **Basis of Accounting:**
These Financial Statements have been prepared under the historical cost convention system of Accounting.

(c) **Depreciation:**
Assets owned by the company are stated at cost less accumulated depreciation. Depreciation is computed using the straight line method so as to write off the cost over the estimated useful lives of the asasets concerned,
The principal annual rates used for this purpose are as follows:

Motor Vehicle	30%
Office Equipment	20%
Furniture & Fixtures	20%
Computers	30%

(d) **Intangible Assets:**
Cost of software purchased is amortised using the straight line method over the estimated useful lives of the assets concerned.
The principal annual rates used for this purpose are as follows:

(e) **Foreign Currencies:**
Transactions denominated in foreign currencies are initially recorded at the rate of exchange on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the Balance sheet date. Gains and losses arising from foreign currency transactions are dealt with in the Income statement for the year.

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

2. Plant Property Equipment

Description	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost					
As at 01.04.16	1,22,693	2,41,836	18,537	2,34,212	6,17,279
Additions	-	-	-	-	-
Assets of Subsidiaries acquired	-	-	-	-	-
Disposal	-	-	-	-	-
Translation adjustments	(15,533)	(30,617)	(2,347)	(29,652)	(78,148)
As at 31.03.17	**1,07,160**	**2,11,219**	**16,190**	**2,04,561**	**5,39,131**
Accumulated Depreciations					
As at 01.04.16	1,09,204	91,311	17,005	2,14,735	4,32,256
Additions	12,776	45,811	1,451	18,447	78,484
Assets of subsidiaries acquired	-	-	-	-	-
Disposals	-	-	-	-	-
Disposal of Assets of EA					-
Translation adjustments	(14,819)	(15,124)	(2,266)	(28,621)	(60,831)
As at 31.03.17	**1,07,160**	**1,21,998**	**16,190**	**2,04,561**	**4,49,909**
Carrying Amount					
As at 01.04.16	**13,490**	**1,50,525**	**1,532**	**19,477**	**1,85,024**
As at 31.03.17	**-**	**89,222**	**-**	**-**	**89,222**

3. Other Intangible Assets

Particulars	Software	Total
Cost		
As at 01.04.16	49,850	49,850
Additions	-	-
Assets acquired on acquisition	-	-
Disposals	-	-
Translation adjustment	(6,311)	(6,311)
As at 31.03.17	**43,539**	**43,539**
Accumulated Depreciation		
As at 01.04.16	45,760	45,760
Additions	3,874	3,874
Disposals	-	-
Translation adjustment	(6,095)	(6,095)
As at 31.03.17	**43,539**	**43,539**
Carrying Amount		
As at 01.04.16	**4,090**	**4,090**
As at 31.03.17	**-**	**-**

4. Inventories

Particulars	31-Mar-17	31-Mar-16
Trading Stocks	65,21,198	65,88,565
Total	**6521198**	**65,88,565**

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

5. Trade Receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	32,44,241	2,39,330
Total Trade and other receivable	**32,44,241**	**2,77,396**

6. Cash and Bank Balances

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	57,054	44,472
(b) Balances with banks		
(i) In current accounts	6,07,693	82,086
Total	**6,64,747**	**1,26,558**

7. Other Current Assets

Particulars	31-Mar-17	31-Mar-16
Vat Recoverable	-	4,56,032
Prepayments	2,56,780	7,12,907
Total	**2,56,780**	**11,68,939**

8. Trade and Other Payables

Particulars	31-Mar-17	31-Mar-16
(b) Other Payables	41,58,198	10,09,032
Total Trade Payables	**4158198**	**1009032**

9. Other Current Liability

Particulars	31-Mar-17	31-Mar-16
Statutory liabilities	1,48,145	4,10,951
Other Liabilities	2,52,098	1,39,246
Total	**4,00,244**	**5,50,197**

10. Revenue From Operation

Particulars	31-Mar-17	31-Mar-16
Sales	152,33,267	289,91,917
Total	**152,33,267**	**289,91,917**

11. Other Income

Particulars	31-Mar-17	31-Mar-16
Other Non operating income	9,91,380	8,12,023
Total	**9,91,380**	**8,12,023**

12. Employee Benefits Expenses

Particulars	31-Mar-17	31-Mar-16
Salaries	16,45,349	22,20,579
Total	**16,45,349**	**22,20,579**

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

13. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Rent	6,01,696	3,85,422
Repairs and Maintenance	6,25,978	6,93,610
Utilities	89,018	35,646
Insurance	80,199	25,547
Communication	5,15,711	2,42,022
Travelling Expenses	5,54,087	6,74,700
Professional Charges	-	1,52,261
Provision for Doubtful receivables	-	1,30,533
Auditor's Remuneration(including remuner	2,14,303	1,35,796
Bank Charges	51,301	90,677
Miscellaneous Expenses	34,19,230	70,93,058
Total	**61,51,521**	**96,59,270**

Proconnect Supply Chain Logistics L.L.C.
Dubai - United Arab Emirates

Reports and separate financial statements
for the year ended 31 March 2017

Proconnect Supply Chain Logistics L.L.C.

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MANAGER'S REPORT

The Manager has pleasure in submitting its report and the audited separate financial statements for the year ended 31 March 2017.

Incorporation and registered offices

Proconnect Supply Chain Logistics L.L.C. (the 'Company') was incorporated on 4 April 2013 as a limited liability company.

The registered address of the Company is P.O. Box 12816, Dubai, United Arab Emirates.

Principal activities

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.

Financial position and results

The financial position and results of the Company for the year ended 31 March 2017 are set out in the separate financial statements.

Share capital

Share capital comprises 300 authorised, issued and fully paid shares of AED 1,000 each, equivalent to AED 300,000.

Auditors

The separate financial statements for the year ended 31 March 2017 have been audited by Deloitte & Touche (M.E.) and, being eligible, offer themselves for reappointment.

Manager

INDEPENDENT AUDITOR'S REPORT

The Shareholders
Proconnect Supply Chain Logistics L.L.C.
Dubai
United Arab Emirates

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of **Proconnect Supply Chain Logistics L.L.C.**, **Dubai, United Arab Emirates,** (the "Company"), which comprise the separate statement of financial position as at 31 March 2017, and the separate statement of profit of loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's separate financial statements in the United Arab Emirates (U.A.E.), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Manager's report, which we obtained prior to the date of the auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (continued)

Responsibilities of Management for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the articles of association of the Company and U.A.E. Federal Law No. (2) of 2015, 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.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

Cont'd…

INDEPENDENT AUDITOR'S REPORT (continued)

Report on Other Legal and Regulatory Requirements

As required by the U.A.E. Federal Law No. (2) of 2015, we report that:

i) we have obtained all the information we considered necessary for the purposes of our audit;

ii) the separate financial statements of the Company have been prepared and comply, in all material respects, with the applicable provisions of the U.A.E. Federal Law No. (2) of 2015;

iii) the Company has maintained proper books of account;

iv) the financial information included in the report of the Manager is consistent with the books of account of the Company;

v) the Company has purchased or invested in any shares during the year ended 31 March 2017;

vi) Note 7 to the separate financial statements of the Company discloses material related party transactions and the terms under which they were conducted; and

vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2017 any of the applicable provisions of the U.A.E. Federal Law No. (2) of 2015 or of its Articles of Association which would materially affect its activities or its financial position as at 31 March 2017.

Deloitte & Touche (M.E.)

Separate statement of financial position
as at 31 March 2017(In Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	5	14,43,332	14,92,080
Other Intangible assets(Software)	5a	3,64,858	-
Non-Current Financial Assets	6	89,05,005	-
Total Non Current Assets		**107,13,195**	**14,92,080**
Current Assets			
Financial assets			
(i) Trade receivables	8	306,73,550	333,32,200
(ii) Cash and bank balances	9	174,31,099	313,73,237
Other Current Assets	8a	439,58,337	175,04,005
Total Current assets		**920,62,986**	**822,09,442**
Total Assets		**1027,76,181**	**837,01,522**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		52,96,500	54,11,250
Other Equity			
Other reserves		(87,68,683)	(243,70,441)
Retained earnings		345,92,493	(75,85,353)
Equity attributable to the owners of the Company		**311,20,310**	**(265,44,544)**
Non-Controlling interests		-	-
Total Equity		**311,20,310**	**(265,44,544)**
Non-Current Liabilities			
Provisions	11	56,74,776	13,42,784
Total Non-current Liabilities		**56,74,776**	**13,42,784**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	12	659,81,096	1089,03,282
Total Current Liabilities		**659,81,096**	**1089,03,282**
Total Equity and Liabilities		**1027,76,181**	**837,01,522**

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Manager

The accompanying notes form an integral part of these separate financial statements.

Separate statement of profit or loss and other comprehensive income for the year ended 31 March 2017(In Indian Rupees)

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations		7256,13,352	2356,23,770
(b)Other gain / (losses)		4,68,412	-
(c) Total Revenue(a+b)		**7260,81,764**	**2356,23,770**
(d) Expenses			
Purchase of traded goods		5885,71,996	2116,07,943
Employee Benefits	13	524,34,433	330,11,163
Depreciation & Amortisation		6,73,777	2,57,010
Other Expenses	13a	254,38,624	151,18,095
Total Expenses(d)		**6671,18,830**	**2599,94,211**
Profit before Corporate social responsibility expenditure and Tax		589,62,934	(243,70,441)
Profit before exceptional items and tax		589,62,934	(243,70,441)
e.Profit before tax (c-d)		**589,62,934**	**(243,70,441)**
h.Profit for the Year (e-f-g)		**589,62,934**	**(243,70,441)**
Total Comprehensive Income for the Year attributable to (h+k)		589,62,934	(243,70,441)
Profit for the year attributable to the :-			
Shareholders of the Company		589,62,934	(243,70,441)
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		589,62,934	(243,70,441)

The accompanying notes form an integral part of these separate financial statements.

Separate statement of changes in equity
for the year ended 31 March 2017(In Indian Rupees)

Particulars	Share capital	Retained earnings	Foreign currency transalati	Total Equity
As at April 2016	54,11,250	(243,70,441)	(75,85,353)	(265,44,544)
Profit for the year		589,62,934		589,62,934
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	(12,98,080)	(12,98,080)
Deduction				-
Balance as at March 31, 2017	52,96,500	345,92,493	(88,83,433)	311,20,310

The accompanying notes form an integral part of these separate financial statements.

Separate statement of cash flows
for the year ended 31 March 2017(In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	589,62,934	(243,70,441)
Adjustments for		
Allowance for doubtful debts	28,02,101	-
Provision for employees' end-of-service indemnity	21,49,162	13,25,447
Depreciation on equipment (Note 7)	5,48,060	2,57,010
Amortisation on intangible asset (Note 8)	1,25,717	-
Change in Working capital		
Trade and other receivables	(240,46,844)	(351,90,235)
Due from related parties	(44,39,609)	(13,15,369)
Trade and other payables	62,840	253,58,028
Due to related parties	(393,85,051)	612,92,175
Cash Generated from Operations	**(32,20,689)**	**273,56,613**
Employees' end-of-service indemnity paid	(2,60,767)	-
Net Cash generated from operating activities	(34,81,457)	273,56,613
Cash flow from investing activity		
Purchase of property and equipment	(5,30,395)	(17,29,825)
Purchase of Intangible Assets	(5,02,466)	
Investment in Subsidiary	(91,95,224)	
Net cash in investing activity	(102,28,084)	(17,29,825)
Net increase in cash and cash equivalents	(137,09,541)	256,26,788
Cash and Cash equivalents at the beginning of the year	313,73,237	51,98,250
Currency transalation asjustment	(2,32,597)	5,48,199
Cash and Cash equivalents at the end of the year	**174,31,099**	**313,73,237**

Non-cash transaction:
Provision for employees' end-of-service indemnity transferred from related parties (Note 11). INR **26,14,182**

The accompanying notes form an integral part of these separate financial statements.

Notes to the separate financial statements
for the year ended 31 March 2017(In Indian rupees)

1. Establishment and operations

Proconnect Supply Chain Logistics L.L.C. (the "Company") is a limited liability company registered on 4 April 2013 in Dubai, United Arab Emirates.

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 Parent Company is Redington Gulf FZE and 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 ("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 April 2016, have been adopted in these separate financial statements. The application of these 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.

- IND AS 104 *Regulatory Deferral Accounts.*
- Amendments to IND AS 1 *Presentation of Financial Statements* relating to Disclosure initiative.
- Amendments to IND AS 101 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations.
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation.
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 41 *Agriculture*: Bearer Plants
- Amendments to IND AS 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.
- Amendments to IND AS 100 *Consolidated Financial Statements*, IND AS 102 *Disclosure of Interests in Other Entities* and IND AS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities.
- Annual Improvements to IFRS 2012 - 2014 Cycle covering amendments to IND AS 105, IND AS 107, IND AS 19 and IND AS 34.

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

2.2 New and revised IFRS in issue but not yet effective

The Company has not yet applied the following new and revised IFRS that have been issued but are not yet effective:

New and revised IFRS	***Effective for annual periods beginning on or after***
Annual Improvements to IFRS Standards 2014 - 2016 Cycle amending IND AS 101, IND AS 102 and IND AS 28.	The amendments to IND AS 101 and IND AS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IND AS 102 for annual periods beginning on or after 1 January 2017
Amendments to IND AS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses.	1 January 2017
Amendments to IND AS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	1 January 2017
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: ▪ there is consideration that is denominated or priced in a foreign currency; ▪ the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and ▪ the prepayment asset or deferred income liability is non-monetary.	1 January 2018
Amendments to IND AS 102 *Share Based Payment* regarding classification and measurement of share based payment transactions.	1 January 2018
Amendments to IND AS 104 *Insurance Contracts*: Relating to the different effective dates of IND AS 109 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IND AS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	1 January 2018
Amendments to IND AS 107 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IND AS 109.	When IND AS 109 is fir applied

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

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

New and revised IFRS	*Effective for annual periods beginning on or after*
IND AS 107 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IND AS 109.	When IND AS 109 is fir applied
IND AS 109 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014):	1 January 2018

IND AS 109 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IND AS 109 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 IND AS 109 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.

A finalised version of IND AS 109 which contains accounting requirements for financial instruments, replacing IND AS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- ***Classification and measurement**:* Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IND AS 109 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IND AS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- ***Impairment**:* The 2014 version of IND AS 109 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- ***Hedge accounting**:* Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- ***Derecognition**:* The requirements for the derecognition of financial assets and liabilities are carried forward from IND AS 39.

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

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

New and revised IFRS	***Effective for annual periods beginning on or after***
IND AS 105 *Revenue from Contracts with Customers*	1 January 2018

In May 2014, IND AS 105 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 105 will supersede the current revenue recognition guidance including IND AS 18 *Revenue*, IND AS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IND AS 105 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 IND AS 105, 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 IND AS 105 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 105.

Amendments to IND AS 105 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018
IND AS 106 *Leases*	1 January 2019

IND AS 106 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 IND AS 106’s approach to lessor accounting substantially unchanged from its predecessor, IND AS 17.

Amendments to IND AS 100 *Consolidated Financial Statements* and IND AS 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

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

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

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's separate financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the separate financial statements of the Company in the year of initial application.

3. Summary of significant accounting policies

Statement of compliance

The separate 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 consideration given in exchange for assets. The significant accounting policies adopted are set out below.

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 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 (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised 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 recognised for the asset (or 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.

Investment in subsidiary (accounted under Cost Method)

Investment in subsidiary is accounted in these separate financial statements of the Company using the "cost method" in accordance with IND AS 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.

3. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment are 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 property and equipment is depreciated from the date an asset becomes operational by equal annual instalments over the estimated useful lives of the assets as follows:

	Years
Furniture	3
Computer equipment	4
Vehicle	3

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.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts.

Revenue comprises fees earned in respect of amounts billed for services performed. Direct costs include fees paid to external suppliers where they are contracted to perform part or all of a specific job for a client and the resulting expenditure is directly attributable to the revenue earned.

Revenue from cargo transport activities and related services is recognised when the services are rendered.

Foreign currency transactions

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 separate 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 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.

3. Summary of significant accounting policies (continued)

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.

Employee benefits

An accrual is made for the estimated liability for employees' entitlement to annual leave and air ticket as a result of services rendered by eligible employees up to the end of the year.

Provision is also made for the full amount of end-of-service indemnity due to non-U.A.E. national employees in accordance with the U.A.E. Labour Law, for their period of service up to the end of the year. The accrual relating to annual leave and air ticket is disclosed as a current liability, while the provision relating to end-of-service indemnity is disclosed as a non-current liability.

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 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 recognised 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 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 Company are classified as loans and receivables.

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Effective-interest method

The effective-interest method is a method of calculating the amortised 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 cash and cash equivalents and amounts due from related parties (excluding prepayments and other advances) 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.

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

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 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.

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

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 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.

4. Critical accounting judgment and key sources of estimation uncertainty

Critical accounting judgment in applying the Company'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 Company's accounting policies, which are described in Note 3 to the financial statements, and that has the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

In making its judgment, management considered the detailed criteria for the recognition of revenue from rendering services as set out in International Accounting Standard (IND AS) 18 Revenue. Management has judged that revenue has been recognised only when the outcome of the transactions involving the rendering of services can be estimated reliably. In making this judgment, management considers that the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the Company.

Key sources of estimation uncertainty

The following is the key assumption 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.

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

4. Critical accounting judgment and key sources of estimation uncertainty

Key sources of estimation uncertainty (continued)

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 ageing of the receivables and continuing credit evaluation of the customers' financial conditions. 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.

5. Property and equipment

Description	Furniture & Fixtures	Computers	Vehicles	Total
Cost				
As at 01.04.16	4,72,583	1,97,619	10,82,250	17,52,451
Additions	-	3,62,493	1,67,902	5,30,395
Assets of Subsidiaries acquired	-	-	-	-
Disposal	-	-	-	-
Translation adjustments	(10,022)	(15,632)	(28,249)	(53,902)
As at 31.03.17	**4,62,561**	**5,44,480**	**12,21,903**	**22,28,944**
Accumulated Depreciations				
As at 01.04.16	60,155	59,325	1,40,891	2,60,371
Additions	95,527	82,766	3,69,767	5,48,060
Assets of subsidiaries acquired	-	-	-	-
Disposals	-	-	-	-
Disposal of Assets of EA				-
Translation adjustments	(4,291)	(3,870)	(14,658)	(22,819)
As at 31.03.17	**1,51,392**	**1,38,221**	**4,96,000**	**7,85,612**
Carrying Amount				
As at 01.04.16	**4,12,427**	**1,38,294**	**9,41,359**	**14,92,080**
As at 31.03.17	**3,11,169**	**4,06,259**	**7,25,903**	**14,43,332**

5a Other Intangible Assets:

Particulars	Software	Total
Cost		
As at 01.04.16	-	-
Additions	5,02,466	5,02,466
Assets acquired on acquisition	-	-
Disposals	-	-
Translation adjustment	(15,859)	(15,859)
As at 31.03.17	**4,86,607**	**4,86,607**
Accumulated Depreciation		
As at 01.04.16	-	-
Additions	1,25,717	1,25,717
Disposals	-	-
Translation adjustment	(3,968)	(3,968)
As at 31.03.17	**1,21,749**	**1,21,749**
Carrying Amount		
As at 01.04.16	-	-
As at 31.03.17	**3,64,858**	**3,64,858**

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

6. Investment in subsidiary

During the year ended 31 March 2017, the Company invested in Proconnect Saudi LLC incorporated in Riyadh, Saudi Arabia for a consideration amounting to INR 89,05,005 which is equivalent to 51% of the total shares.

7. Related party transactions

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in Indian 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.

a) At the reporting date, balances with related parties were as follows:

Due from related parties

Particulars	31-Mar-17	31-Mar-16
Cadensworth FZE, Dubai, U.A.E.	56,03,803	11,20,760
Redington Middle East (L.L.C.), Dubai, U.A.E.	-	2,11,814
Total	**56,03,803**	**11,20,760**

Due to a related party

Particulars	31-Mar-17	31-Mar-16
Parent Company	-	-
Redington Gulf FZE, Dubai, U.A.E.	407,75,299	832,13,571
Total	**407,75,299**	**832,13,571**

The amount due to/from related parties is current, unsecured, interest free and has no fixed repayment period.

b) The following is the summary of transactions with related parties, which are included in the separate financial statements:

Paticular	31-Mar-17	31-Mar-16
Sales	5767,68,564	1273,18,145
Transfer of employees' end-of-service indemnity	25,31,674	-

8. Trade and other receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	252,67,818	318,26,754
Less:Allowance for doubtful debts	(1,98,071)	-
(b) Receivables from releted parties	56,03,803	13,32,574
(c) Other Trade receivables		-
Considered good	-	1,72,871
Total Trade and other receivable	**306,73,550**	**333,32,200**

8a. Other Current Assets

Particulars	31-Mar-17	31-Mar-16
Deposits	147,95,031	110,80,581
Prepayments	270,08,672	55,43,537
Others	21,54,634	8,79,887
Total	**439,58,337**	**175,04,005**

Movement in the allowance for doubtful debts:

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

Particulars	31-Mar-17	31-Mar-16
Balance at the beginning of the year	-	-
(Reversal of allowance)/allowance during the year	28,02,101	-
Written-off during the year	(25,97,575)	-
CTA	(26,04,030)	-
Balance at the end of the year	1,98,071	-

9. Cash and cash equivalents

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	9,92,917	9,93,037
(b) Balances with banks		
(i) In current accounts	164,38,182	303,80,201
Total	**174,31,099**	**313,73,237**

10. Share capital

Share capital comprises 300 authorised and fully paid shares of AED 1,000 each.

As at 31 March 2016 and March 2017, the shareholders and their shareholdings are as follows:

	Ownership Percentage %	Amount INR
Nasser Mohammed Nasser Saeed Mohammed Bin Jarsh	**51**	**27,01,215**
Redington Gulf FZE, Dubai, U.A.E.	**49**	**25,95,285**
	100	**52,96,500**

11. Provision for employees' end-of-service indemnity

(i) Provision for Gratuity	56,74,776	13,42,784
Total	**56,74,776**	**13,42,784**

11a. Movement Of the Provision.

Particulars	31-Mar-17	31-Mar-16
Balance at April 1, 2016	**13,42,784**	-
Charge for this year	21,49,162	13,25,447
Transferred from related parties	26,14,182	
Less: Payments in the year	(2,60,767)	-
Currency translation adjustment	(1,04,537)	17,337
Balance at March 31, 2017	**36,48,176**	**13,42,784**

12. Trade and other payables

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	97,41,852	123,99,194
Due to related parties	407,75,299	832,13,571
(b) Other Payables	154,63,944	132,90,517
Total Trade Payables	**65981096**	**108903282**

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

13. Employee Benefit Expenses

Particulars	31-Mar-17	31-Mar-16
Salaries	524,34,433	330,11,163
Total	**524,34,433**	**330,11,163**

13a. Other Expenses

Other Expenses		
Particulars	**31-Mar-17**	**31-Mar-16**
Rent	73,63,653	62,56,061
Repairs and Maintenance	16,16,835	5,62,430
Utilities	18,07,360	15,99,406
Insurance	18,51,441	3,48,205
Sales Promotion Expenses	4,67,135	-
Professional Charges	20,23,919	23,08,119
Less :- Written off against provision	28,02,101	-
Exchange Loss Net	91,845	5,10,921
Bank Charges	3,79,010	1,25,202
Miscellaneous Expenses	70,35,324	34,07,750
Total	**254,38,624**	**151,18,095**

14. 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

Particular	31-Mar-17	31-Mar-16
Financial Assets		
Loans and receivables (including cash and cash equivalents)	65054314	76665905
Financial liabilities		
At amortized cost	65981096	108903282

(c) Fair value of financial instruments

The Company's financial assets and financial liabilities at the end of the reporting date approximate their carrying values in the statement of financial position.

15. 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.

15. Financial risk management (continued)

(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 reputable 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

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 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.

Particular	Less than 1 year	Total
2017		
Non-interest bearing instruments	659,81,096	659,81,096
2016		
Non-interest bearing instruments	1089,03,282	1089,03,282

The following table details the Company's expected maturity for its non-derivative financial assets. The table below has 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:

Notes to the separate financial statements
for the year ended 31 March 2017 (continued)

Financial risk management (continued)

(d) Liquidity risk management (continued)

Liquidity risk tables (continued)

Particular	Less than 1 year	Total
2017		
Non-interest bearing instruments	650,54,314	650,54,314
2016		
Non-interest bearing instruments	766,65,905	766,65,905

16. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while obtaining financial support from the shareholders.

17. Approval of separate financial statements

The separate financial statements for the year ended 31 March 2017 were approved by the management and authorised for issue .

18.All figures in Indian Rupees unless otherwise stated

PKF Maroc

PKF

Accountants &
business advisers

Ensure Technical
Services Morocco
Limited

Audit Opinion – Full Scope Audit

As requested, we have audited the standard reporting package forms consisting of balance sheet, income statement of **Ensure Technical Services Morocco Limited** as of March 31, 2017, that indicates the following items:

- Total Net Equity as of March 31, 2017 **KMAD (481)**
- Total results of the period: **KMAD (43)**

These specified forms are the responsibility of the management of Ensure Technical Services Morocco Limited. Our responsibility is to express an opinion on these specified forms based on our audit.

We conducted our audit in accordance with the International Standards on Auditing (ISA) as promulgated by the International Federation of accountants (IFAC). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the specified forms are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the specified forms. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial information in the specified forms. We believe that our audit provides a reasonable basis for our opinion.

Our opinion on financial statements:

We certify that financial statements mentioned in the first paragraph above are regular and sincere and give, in all their material aspects, a fair view of the result of the year's operations and of the financial position of **Ensure Technical Services Morocco Limited** as of March 31, 2017, in accordance with Moroccan accounting principles.

DATE: **16/05/2016**

Audit firm: **PKF MAROC**

PARTNER: **Abdellatif ZARKAL**

SIGNATURE

Tél : 05 22 47 64 70/77 - Fax : 05 22 47 64 79
Email : contact@pkfmaroc.com – www.pkfmaroc.com
Adresse : 131, Bd. Abdelmoumen, 6ème étage, Casablanca
SARL au capital de 200 000 DH – R.C 53291 – I.F 01003373
Patente : 36330897 – C.N.S.S : 1296319

ENSURE MOROCCO LIMITED

FINANCIAL STAEMENT(In Indian Rupees)

FINANCIAL YEAR ENDED 31-MARCH-2017

STATEMENT OF FINANCIAL POSITION

AS AT 31-MARCH-2017

Particulars	Note No	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	1	8,91,582	14,09,792
Non-Current Financial Assets	2	5,65,845	3,38,363
Other Non Current Assets	3	26,07,266	21,81,235
Total Non Current Assets		**40,64,693**	**39,29,391**
Current Assets			
Inventories	4	14,71,386	24,96,985
Trade receivables	5	46,77,894	1,09,38,102
Cash and bank balances	6	3,78,384	6,11,491
Other financial assets	7	2,18,97,753	1,25,72,100
Total Current assets		**2,84,25,417**	**2,66,18,679**
Total Assets		**3,24,90,109**	**3,05,48,070**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		6,45,352	6,88,010
Other Equity			
Other reserves		(35,79,340)	1,19,718
Retained earnings		(1,68,593)	(38,24,400)
Equity attributable to the owners of the Company		**(31,02,581)**	**(30,16,673)**
Non-Controlling interests		-	-
Total Equity		**(31,02,581)**	**(30,16,673)**
Current Liabilities			
Financial Liabilities			
Trade and other payables	8	3,55,92,691	3,35,64,742
Total Current Liabilities		**3,55,92,691**	**3,35,64,742**
Total Equity and Liabilities		**3,24,90,109**	**3,05,48,070**

ENSURE MOROCCO LIMITED
FINANCIAL STAEMENT(In Indian Rupees) FINANCIAL YEAR ENDED 31-MARCH-2017

STATEMENT OF COMPREHENSIVE INCOME
AS ON 31-MARCH-2017

Particulars	**Note No.**	**Period ended March 31,2017**	**Period ended March 31,2016**
Comprehensive Income:			
(a).Revenue from operations	9	422,04,453	376,31,308
(b)Other gain / (losses)	10	9,95,807	26,93,405
(c).Total Revenue(a+b)		**432,00,260**	**403,24,714**
Purchase of traded goods		273,17,495	208,26,857
Changes in inventories		10,25,600	44,87,489
Employee Benefits	11	66,43,297	60,25,745
Depreciation & Amortisation		6,05,262	6,05,004
Other Expenses	12	77,93,827	82,59,902
Total Expenses(d)		**433,85,480**	**402,04,996**
Profit before Corporate social responsibility expenditure and Tax		**(1,85,221)**	**1,19,718**
Profit before exceptional items and tax		**(1,85,221)**	**1,19,718**
e.Profit before tax (c-d)		**(1,85,221)**	**1,19,718**
Income Tax expense:			
Current tax		(1,03,090)	-
h.Profit for the Year (e-f-g)		**(2,88,311)**	**1,19,718**
Total Comprehensive Income for the Year attributable to (h+k)		(2,88,311)	1,19,718
Profit for the year attributable to the :-			
Shareholders of the Company		(2,88,311)	1,19,718
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		(2,88,311)	1,19,718

ENSURE MOROCCO LIMITED
FINANCIAL STAEMENT(In Indian Rupees)

FINANCIAL YEAR ENDED 31-MARCH-2017

STATEMENT OF CHANGES IN EQUITY

Particulars	Share capital	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	6,88,010	1,19,718	(38,24,400)	(30,16,673)
Profit for the year		(2,88,311)		(2,88,311)
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	2,02,402	2,02,402
Deduction				-
Balance as at March 31, 2017	6,45,352	(1,68,593)	(36,21,998)	(31,02,581)

ENSURE MOROCCO LIMITED
FINANCIAL STAEMENT(In Indian Rupees) FINANCIAL YEAR ENDED 31-MARCH-2017

CASH FLOW STATEMENT

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	(1,85,221)	1,19,718
Adjustments for		
Depritiation and Amortisation	6,05,262	6,05,004
Change in Working capital		
Inventories	9,19,798	42,03,096
Trade receivables	58,96,234	2,60,634
Other financial assets	(106,73,950)	(141,72,228)
Trade and other payables	43,40,304	
Cash Flow from Operating Activity	-	-
Tax Paid	(1,03,090)	-
Net cash flow from operating activity	**7,99,337**	**(89,83,776)**
Cash flow from investing activity		
Purchase of property and equipment	(1,50,212)	(1,12,697)
Net cash in investing activity	(1,50,212)	(1,12,697)
Cash flow from financing activity		
Change in bank borrowings	(2,62,446)	-
Dividend Paid	(5,92,863)	-
Net cashflow from financing activity	**(8,55,310)**	-
Net increase in cash and cash equivalents	(2,06,184)	(90,96,473)
Cash and Cash equivalents at the beginning of the year	6,11,491	6,37,558
Currency transalation asjustment	(26,924)	90,70,407
Cash and Cash equivalents at the end of the year	**3,78,384**	**6,11,491**

ENSURE MOROCCO LIMITED
FINANCIAL STAEMENT(In Indian Rupees) FINANCIAL YEAR ENDED 31-MARCH-2017

Notes to Accounts

1. Property Plant and Equipment

Description	Plant and Equipment	Furniture & Fixtures	Computers	Vehicles	Total
Cost					
As at 01.04.16	2,50,267	20,88,882	4,76,287	1,40,556	29,55,992
Additions	73,866	-	76,345	-	1,50,212
Assets of Subsidiaries acquired	-	-	-	-	-
Disposal	-	-	-	-	-
Disposl of assets of EA					-
Translation adjustments	(19,453)	(1,29,514)	(33,599)	(8,715)	(1,91,281)
As at 31.03.17	**3,04,680**	**19,59,368**	**5,19,034**	**1,31,841**	**29,14,923**
Accumulated Depreciations					
As at 01.04.16	1,87,595	10,21,588	2,19,962	1,17,054	15,46,200
Additions	45,502	4,13,929	1,22,545	23,286	6,05,262
Assets of subsidiaries acquired	-	-	-	-	-
Disposals	-	-	-	-	-
Disposal of Assets of EA					-
Translation adjustments	(14,056)	(85,398)	(20,168)	(8,498)	(1,28,121)
As at 31.03.17	**2,19,041**	**13,50,119**	**3,22,339**	**1,31,841**	**20,23,341**
Carrying Amount					
As at 01.04.16	**62,672**	**10,67,294**	**2,56,325**	**23,502**	**14,09,792**
As at 31.03.17	**85,639**	**6,09,249**	**1,96,695**	**-**	**8,91,582**

FINANCIAL STAEMENT(In Indian Rupees) FINANCIAL YEAR ENDED 31-MARCH-2017

2. Non Current Financial Assets

Particulars	31-Mar-17	31-Mar-16
Non-Current Investments	5,65,845	3,38,363
Total	**5,65,845**	**3,38,363**

3. Other Non-Current Assets

Particulars	31-Mar-17	31-Mar-16
(a) Corporate Tax Recoverable	25,98,731	21,51,466
(b) Others	8,534	29,769
Total	**26,07,266**	**21,81,235**

4. Inventories

Particulars	31-Mar-17	31-Mar-16
(a) Trading Stocks	14,71,386	24,96,985
Total	**1471386**	**24,96,985**

5. Trade Receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	89,40,674	1,36,39,437
Less:Allowance for doubtful debts	(42,62,780)	(27,01,335)
Total Trade and other receivable	**46,77,894**	**1,09,38,102**

6. Cash and Bank Balances

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	73,400	42,333
(b) Balances with banks		
(i) In current accounts	3,04,984	5,69,159
Total	**3,78,384**	**6,11,491**

7. Other Current Assets

Particulars	31-Mar-17	31-Mar-16
Advances to suppliers and others	2,18,97,753	1,25,72,100
Total	**2,18,97,753**	**1,25,72,100**

8. Trade and Other Payables

Particulars	31-Mar-17	31-Mar-16
Trade Payables	56,20,549	91,26,870
(b) Other Payables	2,99,72,140	2,44,37,872
Total Trade Payables	**35592691**	**33564742**

FINANCIAL STAEMENT(In Indian Rupees) FINANCIAL YEAR ENDED 31-MARCH-2017

9. Revenue From Operation

Particulars	31-Mar-17	31-Mar-16
Sales	4,22,04,453	3,76,31,308
Total	**4,22,04,453**	**3,76,31,308**

10. Other Income

Particulars	31-Mar-17	31-Mar-16
Exchange gain/(Loss) Net	9,95,807	26,93,405
Total	**9,95,807**	**26,93,405**

11. Employee Benefit Expenses

Particulars	31-Mar-17	31-Mar-16
Salaries	66,43,297	60,25,745
Total	**66,43,297**	**60,25,745**

12. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Commercial Taxes	1,534	1,40,670
Miscellaneous Expenses	77,92,293	81,19,232
Total	**77,93,827**	**82,59,902**

ADEO BİLİŞİM DANIŞMANLIK HİZMETLERİ SANAYİ VE TİCARET A.Ş.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016 AND
INDEPENDENT AUDITOR'S REPORT

ADEO BİLİŞİM DANIŞMANLIK HİZMETLERİ SANAYİ VE TİCARET A.Ş.

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ADEO BİLİŞİM DANIŞMANLIK HİZMETLERİ SANAYİ VE TİCARET A.Ş.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

(Amounts expressed in Indian Rupees unless otherwise indicated.)

Consolidated Statement of Financial postion (SOFP) as at December 31, 2016

Particulars	Note No.	As at December 31, 2016	As at December 31, 2015
Assets			
Non-Current Assets			
Furnitures and Fixtures(PE)	9	4,565.84	6,915.47
Other Intangible assets(Software)	10	5,201.59	4,444.04
Deferred Tax Assets (Net)		3,641.11	657.54
Other Non Current Assets		1,310.03	12,674.59
		14,718.57	**24,691.63**
Current Assets			
Inventories	7	13,755.30	4,625.43
Financial assets			
Trade receivables	5	114,396.35	167,445.14
Cash and bank balances	4	2,427.41	1,655.18
Other Current Assets	8	58,392.60	10,520.59
Total Current assets		**188,971.66**	**184,246.33**
Total Assets		**203,690.23**	**208,937.97**
Equity and liabilities			
Shareholders' funds(Refer SOCE)			
Equity Share Capital	**16**	3,486.99	4,103.94
Other Equity		44,772.17	46,208.96
Equity attributable to the owners of the Company		**48,259.15**	**50,312.90**
Non-Controlling interests		-	-
Total Equity		**48,259.15**	**50,312.90**
Non-Current Liabilities			
Deferred Tax Liabilities (Net)		4,662.16	-
Provisions	15	2,273.29	1,360.42
Total Non-current Liabilities		**6,935.45**	**1,360.42**
Current Liabilities			
Financial Liabilities			
Trade and other payables	13	108,289.30	114,388.72
Borrowings	12	4,353.92	5,736.44
Other Current Liablities	14	35,852.41	37,139.49
Total Current Liabilities		**148,495.63**	**157,264.65**
Total Equity and Liabilities		**203,690.23**	**208,937.97**

The accompanying notes form an integral part of these financial statements.

ADEO BİLİŞİM DANIŞMANLIK HİZMETLERİ SANAYİ VE TİCARET A.Ş.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2016

(Amounts expressed in Indian Rupees unless otherwise indicated.)

Consolidated Statement of profit or Loss and other comprehensive income for the Year Ended December 31, 2016

Particulars	Note No.	Period ended December 31, 2016	Period ended December 31, 2015
Comprehensive Income:			
(a).Revenue from operations	17	605,583.28	473,034.94
(b).Other income(net)	17	(1,607.80)	9,974.84
(c).Total Revenue(a+b)		**603,975.48**	**483,009.78**
d.Expenses			
Purchase of traded goods		527,914.15	380,781.32
Changes in inventories		(9,129.87)	(1,358.25)
Employee Benefits	18	35,706.61	36,487.54
Finance Costs	19	7,547.74	4,525.40
Depreciation & Amortisation		7,413.76	7,652.91
Other Expenses	18	26,305.44	27,578.90
Total Expenses(d)		**595,757.82**	**455,667.81**
e.Profit before tax (c-d)		**8,217.66**	**27,341.97**
Income Tax expense:			
Current tax		(1,831.11)	(2,558.87)
g.Share of Loss of Associate		-	-
h.Profit for the Year (e-f-g)		**6,386.55**	**24,783.10**
Other Comprehensive income			
(i) Items that may be subsequently classified to Profit and loss			
Foreign exchange differences in translating the financial statements of froreign operations		-	-
(j)Items that will not be subsequently classified to Profit and loss			
Remeasurement of Defined benefit obligation		-	-
k.Total Other comprehensive income(i+j)		-	-
Total Comprehensive Income for the Year attributable to (h+k)		6,386.55	24,783.10
Profit for the year attributable to the :-			
Shareholders of the Company		6,386.55	24,783.10
Non-Controlling Interests		-	-
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		6,386.55	24,783.10
Non-Controlling Interests		-	-

The accompanying notes form an integral part of these financial statements.

ADEO BİLİŞİM DANIŞMANLIK HİZMETLERİ SANAYİ VE TİCARET A.Ş.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2016

(Amounts expressed in Indian Rupees unless otherwise indicated.)

Consolidated Statement of Changes in Equity (SOCE)

Particulars	Share capital	Share Premium	Retained earnings	FCTR	Total Equity
Balance as per perious balance sheet	4,103.94	6,552.69	39,656.27	-	50,312.90
Profit for the year	-	-	6,386.55	-	6,386.55
Other comprehensive income	-	-	-	-	-
Foreign currency adustment	(616.95)	(985.07)	-	-	(1,602.02)
Additions during the year	-	-	-	(7,823.35)	(7,823.35)
Balance as at December 31, 2016	3,486.99	5,567.62	46,042.82	(7,823.35)	48,259.15

The accompanying notes form an integral part of these financial statements.

(Amounts expressed in INR unless otherwise indicated.)

Cash Flow Statement for the Year ended December 31, 2016

Particulars	31-Dec-16	31-Dec-15
Profit before income tax	8,217.66	27,341.97
Adjustments for		
Interest expense	7,547.74	4,525.40
Depreciation	7,413.76	7,652.91
Change in Working capital		
Change in recievables	31,486.13	(136,164.88)
Change in Inventories	(11,388.60)	(1,966.54)
Change in Other assets	(45,532.07)	(19,617.98)
Change in Trade payables	12,862.42	116,357.35
Change in Other liabilities	7,994.35	15,542.75
Change in Provisions	(2,032.08)	(663.41)
IncomeTaxes paid	(2,992.30)	(5,354.67)
Net cash flow from operating activity	**13,577.00**	**7,652.91**
Cash flow from investing activity		
Capital expenditure	(6,252.57)	(4,454.32)
Net cash in investing activity	**(6,252.57)**	**(4,454.32)**
Cash flow from financing activity		
Increase in bank borrowings	(602.93)	(402.78)
Interest expense	(7,570.07)	(4,478.02)
Net cashflow from financing activity	**(8,173.00)**	**(4,880.80)**
Net increase in cash and cash equivalents	(848.56)	(1,682.22)
Cash and Cash equivalents at the beginning of the year	1,655.18	1,053.06
Currency transalation asjustment	4,931.15	4,390.45
Cash and Cash equivalents at the end of the year	**2,427.41**	**1,655.18**

NOTE 1 - ORGANISATION AND PRINCIPAL ACTIVITIES

Adeo Bilişim Danışmanlık Hizmetleri Sanayi ve Ticaret A.Ş. (the "Company") was incorporated in 2008. The Company is engaged in providing 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

On 1 August 2013, the Company's legal title has been changed to Adeo Bilişim Danışmanlık Hizmetleri Sanayi ve Ticaret A.Ş. from Adeo Bilişim Danışmanlık Hizmetleri Sanayi ve Ticaret LTD.

The Company's headquarter is located in Istanbul and has a branch in Ankara. The average number of employees of the Company at 31 December 2016 is 67 (31 December 2015: 68).

Negotiations between Arena Bilgisayar San. Ve Tic. A.Ş. shareholders and the Company were finalized on 29 August 2013 with the agreement signed on the same day. As a result, 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%.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION

a) Basis of Preparation

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 Indian Rupees 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 ("INDAS"). The financial 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 Indian Rupees.

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) Amendments to INDASs affecting amounts reported and/or disclosures in the financial statements

None.

(Amounts expressed in INR unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION (continued)

b) New and Revised International Financial Reporting Standards (continued)

ii) New and revised INDASs applied with no material effect on the financial statements

The Company has not applied the following new and revised INDASs that have been issued but are not yet effective:

INDAS 14	*Regulatory Deferral Accounts* [1]
Amendments to INDAS 16 and INDAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation* [1]
Annual Improvements to 2012-2014 Cycle	*INDAS 5, INDAS 7, INDAS 19, INDAS 34*[1]
Amendments to INDAS 1	*Disclosure Initiative*[1]

[1] Effective for annual periods beginning on or after 1 January 2016.

INDAS 14 Regulatory Deferral Accounts

INDAS 14 Regulatory Deferral Accounts permits an entity, which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of INDAS and in subsequent financial statements.

INDAS 14 was issued by the INDASB on 30 January 2014 and is applied to an entity's first annual INDAS financial statements for a period beginning on or after 1 January 2016.

Amendments to INDAS 16 and INDAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment clarifies 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

INDAS 105: Adds specific guidance in INDAS 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.

INDAS 107: 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.

INDAS 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.

INDAS 34: Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

Amendments to INDAS 1 Disclosure Initiative

This amendment addresses perceived impediments to preparers exercising their judgment in presenting their financial reports.

(Amounts expressed in INR unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION (continued)

b) New and Revised International Financial Reporting Standards (continued)

iii) New and revised INDASs in issue but not yet effective

The Company has not applied the following new and revised INDASs that have been issued but are not yet effective:

Amendments to INDAS 12	*Recognition of Deferred Tax Assets for Unrealized Losses*[1]
Amendments to INDAS 7	*Disclosure Inıtiative*[1]
INDAS 109	*Financial Instruments*[2]
INDAS 15	*Revenue from Contracts with Customers*[2]
Amendments to INDAS 15	*Revenue from Contracts with Customers*[2]
Amendments to INDAS 102	*Classification and Measurement of Share-Based Payment Transactions*[2]
INDAS 17	Leases [3]
Amendments to INDAS 4	Applying INDAS 109 'Financial Instruments' with INDAS 4 'Insurance Contracts'
IFRIC 22	*Foreign Currency Transactions and Advance Consideration* [2]
Annual Improvements to INDAS Standards 2014–2016 Cycle	*INDAS 1* [2], *INDAS 12* [1], *INDAS 28* [2]

[1] Effective for annual periods beginning on or after 1 January 2017.
[2] Effective for annual periods beginning on or after 1 January 2018.
[3] Effective for annual periods beginning on or after 1 January 2019.

Amendments to INDAS 12 Recognition of Deferred Tax Assets for Unrealized Losses

This amendment clarifies the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

Amendments to INDAS 7 Disclosure Inıtiative

This amendment clarifies that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

INDAS 109 Financial Instruments

INDAS 109, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. INDAS 109 was 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 INDAS 109 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.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION (continued)

b) New and Revised International Financial Reporting Standards (continued)

iii) New and revised INDASs in issue but not yet effective (continued)

INDAS 15 Revenue from Contracts with Customers

INDAS 15 provides a single, principles based five-step model to be applied to all contracts with customers.
The five steps in the model are as follows:

- Identify the contract with the customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contracts.
- Recognise revenue when the entity satisfies a performance obligation.

Amendments to INDAS 15 Revenue from Contracts with Customers

This amendment clarifies three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and provides some transition relief for modified contracts and completed contracts.

Amendments to INDAS 102 Classification and Measurement of Share-Based Payment Transactions

This amendment clarifies the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity settled.

INDAS 17 Leases

This new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. INDAS 17 supersedes INDAS 17 "Leases" and related interpretations and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if INDAS 15 'Revenue from Contracts with Customers' has also been applied.

Amendments to INDAS 4 Applying INDAS 109 'Financial Instruments' with INDAS 4 'Insurance Contracts'

This amendment provides optional approaches for entities that issue insurance contracts within the scope of INDAS 4, and the entities are permitted to stop applying them before the new insurance standard is applied.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION (continued)

b) New and Revised International Financial Reporting Standards (continued)

iii) New and revised INDASs in issue but not yet effective (continued)

Annual Improvements to INDAS Standards 2014–2016 Cycle

• **INDAS 1:** Deletes the short-term exemptions in paragraphs E3–E7 of INDAS 1, because they have now served their intended purpose.

• **INDAS 12:** Clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with INDAS 5 Non-current Assets Held for Sale and Discontinued Operations.

• **INDAS 28:** Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

The Company evaluates the effects of these standards, amendments and improvements on the financial statements.

NOTE 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:

- 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 balance sheet date;

- 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, taking into account historical trends in the number of services actually provided on past goods sold; and

- Revenue from time and material contracts is recognized at the contractual rates as labour hours are delivered 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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.1 Accounting Policies (continued)

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).

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 (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.

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

a) A person or a close member of that person's family is related to a reporting entity if that person,

(i) has control or joint control over the reporting entity,

(ii) has significant influence over the reporting entity,

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member)
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a)
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged (Note 6).

Inventories

Inventories are valued 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 selling expenses to perform the sales.The cost of inventories is determined on the moving average basis for each purchase (Note 7).

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.1 Accounting Policies (continued)

Property, equipment and related depreciation

Property and equipment are carried at cost less accumulated depreciation (Note 9). 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	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.

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 10). 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 2 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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.1 Accounting Policies (continued)

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 (Note 12).

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current 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 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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.1 Accounting Policies (continued)

Taxation (continued)

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

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No. 19 (revised) "Employee Benefits" ("INDAS 19").

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

The provision for employment termination benefits represents the present value of the estimated total provision of the future probable obligation of the Group 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. 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.

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.

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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.1 Accounting Policies (continued)

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.

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.

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.

3.6 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.

3.7 Critical Judgments in Applying The Entity's Accounting Policies

Deferred taxes

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities. Currently, there are deferred tax assets resulting from operating loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized.

(Amounts expressed in INR unless otherwise indicated.)

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3.1 Accounting Policies (continued)

3.7 Critical Judgments in Applying The Entity's Accounting Policies (continued)

Deferred taxes (continued)

The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset.

NOTE 4 - CASH AND CASH EQUIVALENTS

The analysis of cash and due from banks at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
(a) Cash on hand	19.27	68.02
(b) Balances with banks	2,408.14	1,587.16
Total	**2,427.41**	**1,655.18**

As at 31 December 2016, there are no time deposits. (31 December 2015: None).

NOTE 5 - TRADE RECEIVABLES

The analysis of trade receivables at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
Considered good	114,396.35	167,445.14
Considered doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
Total Trade receivable	**114,396.35**	**167,445.14**

NOTE 6 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

i) Major transactions with related parties for the years ended 31 December 2016 and 2015 is as follows:

Due to Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Arena Bilgisayar San ve Tic.A.S	41,593.42	34,894.80
Link Plus Biligisayar Sis. San.ve Tic.A.S.	31,151.72	-
Total	**72,745.14**	**34,894.80**

Sale to Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Arena Bilgisayar San ve Tic.A.S	-	7,164.88
Paynet Odeme Hizmetleri A.S.	-	385.45
Total	-	**7,550.34**

(Amounts expressed in INR unless otherwise indicated.)

NOTE 6 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Purchase from Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Arena Bilgisayar San ve Tic.A.S	38,395.41	65,572.29
Total	**38,395.41**	**65,572.29**

The purchases from related parties are generally due to purchase transactions within the oprating segments of the Company.

Other Income from Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Arena Bilgisayar San ve Tic.A.S	10,827.00	2,947.58

Other income consisted of cost sharing invoices charged to related parties.

ii) Remuneration of directors and key management personnel for years ended 31 December 2016 amounted to INR 7,821.64 (31 December 2015: INR 8,502.63).

NOTE 7 - INVENTORIES

The analysis of inventories at 31 December 2016 and 2015 is as follows:

Particulars	**31-Dec-16**	**31-Dec-15**
(a) Trading Stocks	13,755.30	4,625.43
Total	**13,755.30**	**4,625.43**

NOTE 8 - OTHER CURRENT ASSETS

The analysis of other current assets at 31 December 2016 and 2015 is as follows:

Other current assets		
Particulars	**31-Dec-16**	**31-Dec-15**
Prepayments	11,616.87	2,902.23
Receivable from Government authorities	46,775.74	7,618.36
Total	**58,392.61**	**10,520.59**

Other Non Current Assets		
Particulars	**31-Dec-16**	**31-Dec-15**
(b) Receivables from customs department	-	11,971.70
(b) Others	1,310.03	702.88
Total	**1,310.03**	**12,674.59**

(Amounts expressed in INR unless otherwise indicated.)

NOTE 9 - PROPERTY AND EQUIPMENT

The movements in the property and equipment and related accumulated depreciation for the year ended 31 December 2016 and 2015 are as follows:

Description	Furniture & Fixtures	Total
Cost		
As at 01..01.15	22,832.40	**22,832.40**
Additions	2,277.72	**2,277.72**
Translation adjustments	(3,745.09)	**(3,745.09)**
As at 31.12.16	**21,365.03**	**21,365.03**
Accumulated Depreciations		
As at 01..01.15	15,916.92	**15,916.92**
Additions	3,796.20	**3,796.20**
Translation adjustments	(2,913.93)	**(2,913.93)**
As at 31.12.16	**16,799.19**	**16,799.19**
Carrying Amount		
As at 01..01.15	**6,915.47**	**6,915.47**
As at 31.12.16	**4,565.84**	**4,565.84**

NOTE 10 - INTANGIBLE ASSETS

The movements in intangible assets and related accumulated amortization for the years ended 31 December 2016 and 2015 are as follows:

Particulars	Software	Special Cost	Total
Cost			
As at 01..01.15	317.43	8,706.69	9,024.13
Additions	200.98	3,773.87	3,974.85
Translation adjustment	(75.31)	(1,826.95)	(1,902.25)
As at 31.12.16	**443.10**	**10,653.62**	**11,096.72**
Accumulated Depreciation			
As at 01..01.15	45.35	4,534.74	4,580.08
Additions	66.99	2,255.39	2,322.38
Translation adjustment	(16.01)	(991.32)	(1,007.33)
As at 31.12.16	**96.33**	**5,798.80**	**5,895.13**
Carrying Amount			
As at 01..01.15	**272.08**	**4,171.96**	**4,444.04**
As at 31.12.16	**346.77**	**4,854.81**	**5,201.59**

(Amounts expressed in INR unless otherwise indicated.)

NOTE 11 - 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 2016 is 20% (2015: 20%) for the Company.

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2016 is 20% (2015: 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.

Current Income Taxes

Particulars	31-Dec-16	31-Dec-15
Corporation and income taxes	-	**3,174.89**
Less: Prepaid taxes	-	-
Income tax payable, net	-	**3,174.89**

Reconciliation of tax expense for the years ended at 31 December 2016 and 2015 is as follows:

NOTE 11 - TAXATION ON INCOME (continued)

Particulars	31-Dec-16	31-Dec-15
Proft/(Loss) before tax	**8,217.66**	**27,341.96**
Tax at the enacted tax rate of 20%	(1,652.46)	(5,473.13)
Tax effect of non-deducatable expenses	178.64	260.63
Tax effect of excemptions	-	(2,961.65)
Currency translation differences and other	(357.29)	5,615.29
Taxation on Income	**(1,831.11)**	**(2,558.87)**

The taxation on income for the years ended 31 December 2016 and 2015 are as follow:

Particulars	31-Dec-16	31-Dec-15
Current tax expense	-	(3,174.89)
Deffered tax income/(expense)	(1,831.11)	616.02
Income tax expenses	**(1,831.11)**	**(2,558.87)**

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for INDAS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for INDAS and tax purposes and they are given below.

For calculation of deferred tax asset and liabilities, the rate of 20% (2015: 20%) is used.

The breakdown of cumulative temporary differences and the resulting deferred tax assets/ (liabilities) provided at December 2016 and 2015 using the enacted tax rates are as follow:

Particulars	31-Dec-16	31-Dec-15
Accrued Expenses	2,813.65	402.78
Employee termination benefits and unpaid vacation allowance	1,362.17	284.32
Income Accruals	(9,557.49)	-
Carry forward tax losses	4,220.48	-
Other	(22.33)	-
Deferred income tax asstes / (liabilities)	**(1,183.52)**	**687.10**

NOTE 12 - BANK BORROWINGS

The analysis of bank borrowings at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
Borrowings in turkish lira	4,353.92	5,736.44
Total	**4,353.92**	**5,736.44**

(Amounts expressed in INR unless otherwise indicated.)

NOTE 13 - TRADE PAYABLES

The analysis of trade payables at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
(a) Trade Payables	100,930.02	80,468.90
(b) Other Payables	7,359.28	33,919.83
Total Trade Payables	**108,289.30**	**114,388.72**

NOTE 14 - OTHER CURRENT AND NON-CURRENT LIABILITIES

The analysis of other current liabilities at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
Expense accruals	12,098.50	1,949.94
Social security premiums payable	5,509.83	2,902.23
Taxes and funds payable	8,052.82	21,540.00
Other	6,607.94	7,709.05
Total	**32,269.09**	**34,101.22**

The analysis of other non-current liabilities at at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
Unpaid Vacation allowance	3,583.31	-

NOTE 15 – PROVISION FOR EMPLOYEE TERMINATION BENEFITS

Under Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, is called up for military service, dies or achieves the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of INR 82,782.27 (31 December 2015: 86,794.85) for each period of service at 31 December 2016.

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. INDAS 19 Employee Benefits stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2016, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 4% real discount rate (31 December 2015: 4%) calculated by using 8% annual inflation rate and 12% discount rate. Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration as 32,95% for employees with 0-15 years of service, and 0% for those with 16 or more years of service. Employee termination benefit ceiling is revised semi-annually and the provision for employment termination benefits of the Company .

The movements in the provision for employee termination benefits for the period ended 31 December 2016 and 2015 are follows:

(Amounts expressed in INR unless otherwise indicated.)

PROVISION FOR EMPLOYEE TERMINATION BENEFITS		
Particulars	31-Dec-16	31-Dec-15
Balance at January 1, 2016	**1,360.42**	**459.03**
Add: Accruals in the year	**3,327.26**	**1,682.22**
Less: Payments in the year	**2,032.08**	**663.41**
Currency translation adjustment	**(382.31)**	**(117.41)**
Balance at December 31, 2016	**2,273.29**	**1,360.42**

NOTE 16 - SHARE CAPITAL

At 31 December 2016 and 2015, the Company's share capital and shareholding structure in terms of INR is as follows:

Particulars	31-Dec-16	31-Dec-15
Arena Bilgisayar San ve Tic.A.S	1,780.10	2,095.05
Selcuk Ekin	663.20	780.54
Halil Ozturkci	663.20	780.54
Korhan Kadri Ergonul	383.86	451.77
Total	**3,490.36**	**4,107.90**

NOTE 17 - NET SALES AND COST OF SALES

The analysis of sales for the years ended 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
Sales	605,583.28	473,034.94
Total	**605,583.28**	**473,034.94**

Particulars	31-Dec-16	31-Dec-15
other income		
Exchange gain/(Loss) Net	(1,831.11)	8,150.46
Other Non operating income	223.31	1,824.38
Total	**(1,607.80)**	**9,974.84**

(Amounts expressed in INR unless otherwise indicated.)

NOTE 18 - OPERATING EXPENSES

The analysis of operating expenses for the years ended at 31 December 2016 and 2015 is as follows:

Employee Benefits expense		
Particulars	**31-Dec-16**	**31-Dec-15**
Salaries and Bonus	35,706.61	36,487.54
Total	**35,706.61**	**36,487.54**

Other Expenses		
Particulars	**31-Dec-16**	**31-Dec-15**
Rent	10,138.09	9,500.98
Repairs and Maintenance	446.61	189.55
Travel	2,054.41	3,364.44
Professional Charges	4,153.49	3,861.99
Exchange (Gain)/Loss Net	-	-
Miscellaneous Expenses	9,512.83	10,661.94
Total	**26,305.44**	**27,578.90**

NOTE 19 - FINANCIAL INCOME AND EXPENSES, NET

The analysis of financial income and expenses for years ended 31 December 2016 and 2015 is as follows:

Finance Cost		
Particulars	**31-Dec-16**	**31-Dec-15**
Interest Expenses	6,475.87	4,051.54
Other Borrowing costs	1,071.87	473.86
Total	**7,547.74**	**4,525.40**

NOTE 20 - COMMITMENTS AND CONTINGENT LIABILITIES

The commitments and contingencies, at 31 December 2016 and 2015, from which the management does not anticipate any significant losses or liabilities are summarized below:

Particulars	31-Dec-16	31-Dec-15
Letter of guarantees given	29,858.76	6,031.20
Total	**29,858.76**	**6,031.20**

NOTE 21 - 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 2016 and 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 **NOTE**

21 - FINANCIAL RISK MANAGEMENT (continued)

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.

Financial risk factors (continued)

ii) Credit risk (continued)

Particulars	Receivables				Bank deposits
	Trade receivables		Other receivables		
31st December 2016	**Related party**	**Other party**	**Related party**	**Other party**	
The maximum amount of exposure to credit risk at the end of the reporting period	-	114,396.35	-	-	2,408.14
Total receivables that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-
Financial assets that are neither past due nor impaired	-	114,396.35	-	-	2,408.14
The amount of financial assets that are past due as at the end of the reporting period but not impaired	-	-	-	-	-
Total amounts that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-
The amount of financial assets that are impaired	-	-	-	-	-
Past due (Gross book value)	-	-	-	-	-
The amount of impairment	-	-	-	-	-
The amount that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-

(Amounts expressed in INR unless otherwise indicated.)

NOTE 21 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

ii) Credit risk (continued)

Particulars	Receivables				
	Trade receivables		Other receivables		
31st December 2015	**Related party**	**Other party**	**Related party**	**Other party**	**Bank deposits**
The maximum amount of exposure to credit risk at the end of the reporting period	-	167,445.14	-	-	1,587.16
Total receivables that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-
Financial assets that are neither past due nor impaired	-	167,445.14	-	-	1,587.16
The amount of financial assets that are past due as at the end of the reporting period but not impaired	-	-	-	-	-
Total amounts that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-
The amount of financial assets that are impaired	-	-	-	-	-
Past due (Gross book value)	-	-	-	-	-
The amount of impairment	-	-	-	-	-
The amount that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-

Financial risk factors (continued)

iii) Foreign currency risk

The Company's functional currency is the Indian Rupees, based on the fact that a significant portion of its sales and purchases are denominated and settled in that currency. As a result of Indian Rupees 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 Indian Rupees, the Company monitors its foreign exchange risk by analyzing the US Dollars denominated assets and liabilities. The Company defines the foreign currency risk as the mismatch between US Dollars denominated assets and liabilities.

Indian Rupees equivalent of assets and liabilities denominated in foreign currency held by the Company at 31 December 2016 and 2015 is as follows:

Particulars	**31-Dec-16**	**31-Dec-15**
Assets	54,655.18	130,509.71
Liabilities	(45,851.01)	(78,065.48)
Net foreign currency position	**8,804.17**	**52,444.22**

(Amounts expressed in INR unless otherwise indicated.)

NOTE 21 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

iii) Foreign currency risk (continued)

Foreign currency risk		
Particulars	**31-Dec-16**	**31-Dec-15**
1. Trade receivables	54,578.12	129,444.05
2. a. Monetary financial assets	134.86	1,065.66
2. b. Non-monetary financial assets	-	-
3. Other	-	-
4. current assets	**54,712.97**	**130,509.71**
5. Trade receivables	-	-
6. a. Monetary financial assets	-	-
6. b. Non-Monetary financial assets	-	-
7. Other	-	-
8. Non-current assets	-	-
9. Total Assets	**54,712.97**	**130,509.71**
10. Trade payables	45,851.01	78,065.48
11. Financial liabilities	-	-
12. Other liabilities	-	-
13. Current liabilities	**45,851.01**	**78,065.48**
14. Trade payables	-	-
15. Financial liabilities	-	-
16. a. Other monetary financial liabilities	-	-
16. b. Other non-monetary financial liabilities	-	-
17. Non-current liabilities	-	-
18. Total liabilities	**45,851.01**	**78,065.48**
19. Net asset/liability position of off-balance sheet items (19a&19b)	-	-
19.a. Total asset amount of hedging items	-	-
19.b. Total liability amount of hedging items	-	-
20. Net foreign currency position	8,861.96	52,444.22
21. Monetary items net foreign currency position	-	-
22. Fair value of financial instruments used in foreign currency hedging	-	-
23. Hedged foreign currency assets	-	-
24. Hedged foreign currency liabilities	-	-

(Amounts expressed in INR unless otherwise indicated.)

NOTE 21 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

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.

The liquidity risk of the Company as of 31 December 2016 and 2015 is as follows:

Particulars	Amount in ₹			
31st December 2016	Carrying value	Cashflows according to agreements (I+II)	Less than 3 months (I)	Between 3-12 months (II)
Non derivative financial liabilities				
Financial liabilities	4,353.92	4,373.18	4,373.18	-
Trade payables	108,289.30	108,289.30	108,289.30	-
Total	**112,643.22**	**112,662.49**	**112,662.49**	-

Particulars	Amount in ₹			
31st December 2015	Carrying value	Cashflows according to agreements (I+II)	Less than 3 months (I)	Between 3-12 months (II)
Non derivative financial liabilities				
Financial liabilities	5,736.44	6,008.53	6,008.53	-
Trade payables	114,388.72	114,388.72	114,388.72	-
Total	**120,125.16**	**120,397.25**	**120,397.25**	-

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.

Consistent with others in the industry, the Company monitors capital on the basis of the net financial debt over total equity ratio. This ratio is calculated as net financial debt divided by total capital. Total capital is calculated as equity, as shown in the balance sheet, plus net debt. The net financial debt over total equity ratios at 31 December 2016 and 2015 were as follows:

(Amounts expressed in INR unless otherwise indicated.)

NOTE 21 - FINANCIAL RISK MANAGEMENT (continued)

Particulars	31-Dec-16	31-Dec-15
Total financial debt	4,353.92	5,736.44
Less: Cash and cash equivalents	2,427.41	1,655.18
Net Debt	**1,926.51**	**4,081.26**
Total Equity	**48,259.15**	**50,312.90**
Net Debt/Total Equity	**3.99%**	**8.11%**

NOTE 22 – FINANCIAL INSTRUMENTS

Categories of financial instruments and fair values

Categories of financial instruments and fair values						
	Amount in ₹					
Particulars	Loans and receivables	Financial assets/liabilities at fair value through profit/loss	Financial liabilities at amortized cost	Carrying value	Fair value	Note
31st December 2016						
Financial assets						
Cash and Cash equivalents	2,427.41	-	-	2,427.41	2,427.41	4
Trade Receivables	114,396.35	-	-	114,396.35	114,396.35	5
Financial liabilities						
Bank Borrowings	-	-	4,353.92	4,353.92	4,353.92	12
Trade payables	-	-	108,289.30	108,289.30	108,289.30	13
31st December 2015						
Financial assets						
Cash and Cash equivalents	1,655.18	-		1,655.18	1,655.18	4
Trade Receivables	167,445.14			167,445.14	167,445.14	5
Financial liabilities						
Bank Borrowings			5,736.44	5,736.44	5,736.44	12
Trade payables			114,388.72	114,388.72	114,388.72	13

NOTE 23 – SUBSEQUENT EVENTS

None.

REDINTON SENEGAL LIMITED, SALR

FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31-MARCH-2017

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

STATEMENT OF FINANCIAL POSITION

AS AT 31-MARCH-2017

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	1	18,65,450	27,58,210
Other Intangible assets(Software)	2	34,674	83,520
Non-Current Financial Assets	3	9,19,227	10,01,765
Total Non Current Assets		**28,19,350**	**38,43,495**
Current Assets			
Inventories	4	1884,18,403	3963,29,058
Financial assets			
(i) Trade receivables	5	4140,15,304	3784,06,113
(ii) Cash and bank balances	6	502,33,142	347,71,463
(iii) Other financial assets	7	35,83,730	787,08,986
Total Current assets		**6562,50,579**	**8882,15,620**
Total Assets		**6590,69,929**	**8920,59,115**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		5,27,624	5,75,000
Other Equity			
Other reserves		(487,10,406)	(643,20,241)
Retained earnings		1106,10,237	(476,20,078)
Equity attributable to the owners of the Company		**624,27,456**	**(1113,65,319)**
Non-Controlling interests		-	-
Total Equity		**624,27,456**	**(1113,65,319)**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	8	5966,42,474	10034,24,433
Total Current Liabilities		**5966,42,474**	**10034,24,433**
Total Equity and Liabilities		**6590,69,929**	**8920,59,115**

REDINTON SENEGAL LIMITED, SALR

FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31-MARCH-2017

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

STATEMENT OF COMPREHENSIVE AND OTHER COMPREHENSIVE INCOME

AS ON 31-MARCH-2017

Particulars	**Note No.**	**Period ended March 31,2017**	**Period ended March 31,2016**
Comprehensive Income:			
(a).Revenue from operations	9	39634,22,746	32804,21,971
(b)Other gain / (losses)	10	1162,60,095	491,96,223
(c) Total Revenue(a+b)		**40796,82,841**	**33296,18,194**
(d) Expenses			
Purchase of traded goods		(753,14,694)	70686,55,674
Changes in inventories		37729,10,655	(39085,04,777)
Employee Benefits	11	76,93,305	100,14,618
Finance Costs	12	-	697,71,467
Depreciation & Amortisation		14,41,316	4,97,132
Other Expenses	13	1698,19,232	1529,94,612
Total Expenses(d)		**38765,49,813**	**33934,28,727**
Profit before Corporate social responsibility expenditure and Tax		2031,33,028	(638,10,533)
Profit before exceptional items and tax		2031,33,028	(638,10,533)
e.Profit before tax (c-d)		**2031,33,028**	**(638,10,533)**
Income Tax expense:			
Current tax		(282,02,550)	(5,09,708)
h.Profit for the Year (e-f-g)		**1749,30,478**	**(643,20,241)**
Total Comprehensive Income for the Year attributable to (h+k)		1749,30,478	(643,20,241)
Profit for the year attributable to the :-			
Shareholders of the Company		1749,30,478	(643,20,241)
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		1749,30,478	(643,20,241)

REDINTON SENEGAL LIMITED, SALR

FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31-MARCH-2017

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

STATEMENT OF CHANGES IN EQUITY

AS AT 31-MARCH-2017

Particulars	Share capital	Retained earnings	Foreign currency transalation reserve	Total Equity
As at April 2016	5,75,000	(643,20,241)	(476,20,078)	(1113,65,319)
Profit for the year		1749,30,478		1749,30,478
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	(11,37,704)	(11,37,704)
Deduction				-
Balance as at March 31, 2017	5,27,624	1106,10,237	(487,57,782)	624,27,456

REDINTON SENEGAL LIMITED, SALR
FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31-MARCH-2017
Figures shown in the accounts have been rounded off to the nearest Indian Rupees
CASH FLOW STATEMENT

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	2031,33,028	(638,10,533)
Adjustments for		
Depreciation and Amortisation	14,41,316	48,76,639
Change in Working capital		
Inventories	1862,35,909	(1796,45,737)
Trade and other receivables	(709,71,447)	(1247,98,885)
Other Financial Asset	729,40,568	(142,45,544)
Trade and other payables	(3444,12,521)	3515,84,886
Cash Generated from Operations	**483,66,853**	**(260,39,173)**
Income tax paid	-	-
Net Cash generated from operating activities	483,66,853	(260,39,173)
Cash flow from investing activity		
Purchase of property and equipment	(6,89,525)	(38,93,475)
Sale Proceed of Property Plant Equipment		3,46,331
Proceeds from redemption of investments		8,203
Net cash in investing activity	(6,89,525)	(38,93,475)
Net increase in cash and cash equivalents	476,77,328	(299,32,649)
Cash and Cash equivalents at the beginning of the year	347,71,463	4,33,507
Currency transalation asjustment	(322,15,649)	642,70,605
Cash and Cash equivalents at the end of the year	**502,33,142**	**347,71,463**

REDINTON SENEGAL LIMITED, SALR
FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31-MARCH-2017
Figures shown in the accounts have been rounded off to the nearest Indian Rupees
Notes to Accounts

1. Property Plant and Equipment

Description	Furniture & Fixtures	Office Equipments	Vehicles	Total
Cost				
As at 01.04.16	1,07,755	16,25,071	16,67,500	34,00,326
Additions	-	6,89,525	-	6,89,525
Assets of Subsidiaries acquired	-	-	-	-
Disposal	-	-	-	-
Translation adjustments	(8,878)	(1,74,547)	(1,37,390)	(3,20,815)
As at 31.03.17	**98,877**	**21,40,049**	**15,30,110**	**37,69,036**
Accumulated Depreciations				
As at 01.04.16	3,592	3,28,983	3,09,542	6,42,117
Additions	3,502	8,51,283	5,41,937	13,96,722
Assets of subsidiaries acquired	-	-	-	-
Disposals	-	-	-	-
Disposal of Assets of EA				-
Translation adjustments	(502)	(77,295)	(57,455)	(1,35,253)
As at 31.03.17	**6,592**	**11,02,971**	**7,94,023**	**19,03,586**
Carrying Amount				
As at 01.04.16	**1,04,163**	**12,96,088**	**13,57,958**	**27,58,210**
As at 31.03.17	**92,285**	**10,37,078**	**7,36,087**	**18,65,450**

2. Other Intangible Assets

Particulars	Software	Trade name	Total
Cost			
As at 01.04.16	1,42,116	17,129	1,59,353
Additions	-	-	-
Assets acquired on acquisition	-	-	-
Disposals	-	-	-
Translation adjustment	(11,709)	(1,312)	(13,130)
As at 31.03.17	**1,30,406**	**15,817**	**1,46,223**
Accumulated Depreciation			
As at 01.04.16	75,833	-	75,833
Additions	27,786	16,808	44,594
Disposals	-		-
Translation adjustment	(7,886)	(16,808)	(8,877)
As at 31.03.17	**95,733**	**-**	**1,11,550**
Carrying Amount			
As at 01.04.16	**66,283**	**17,129**	**83,520**
As at 31.03.17	**34,674**	**15,817**	**34,674**

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

3. Non-current Assets

Particulars	31-Mar-17	31-Mar-16
Security Deposits	9,19,227	10,01,765
Total	**9,19,227**	**10,01,765**

4. Inventories

Particulars	31-Mar-17	31-Mar-16
Trading Stocks	1884,18,403	3963,29,058
Total	**188418403**	**3963,29,058**

5. Trade Receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	4140,15,304	3784,06,113
Total Trade and other receivable	**4140,15,304**	**3784,06,113**

6. Cash and Bank Balances

Particulars	31-Mar-17	31-Mar-16
(a) Cash on hand	4,04,168	-
(b) Balances with banks		
(i) In current accounts	498,28,973	347,71,463
Total	**502,33,142**	**347,71,463**

7. Other Financial Assets

Particulars	31-Mar-17	31-Mar-16
Deposits	35,83,730	787,08,986
Total	**35,83,730**	**787,08,986**

8. Trade Payables

Particulars	31-Mar-17	31-Mar-16
(a) Trade Payables	5966,42,474	10034,24,433
Total Trade Payables	**596642474**	**1003424433**

9. Revenue From Operations

Particulars	31-Mar-17	31-Mar-16
Sales	39634,22,746	32804,21,971
Total	**39634,22,746**	**32804,21,971**

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

10. Other Gains/(Losses)

Particulars	31-Mar-17	31-Mar-16
Interest on loan	-	231,52,549
Exchange gain/(Loss) Net	1162,60,095	260,43,674
Total	**1162,60,095**	**491,96,223**

11. Employee Benefit

Particulars	31-Mar-17	31-Mar-16
Salaries	76,93,305	100,14,618
Total	**76,93,305**	**100,14,618**

12. Finance Cost

Particulars	31-Mar-17	31-Mar-16
Interest Expenses	-	697,71,467
Total	**-**	**697,71,467**

13. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Freight	15,34,886	12,65,722
Exchange Loss Net	685,30,986	941,41,509
Miscellaneous Expenses	927,86,392	479,55,492
Total	**1698,19,232**	**1529,94,612**

REDINGTON SAUDI ARABIA DISTRIBUTION COMPANY
(LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED MARCH 31, 2017

REDINGTON SAUDI ARABIA DISTRIBUTION COMPANY
(LIMITED LIABILITY COMPANY)

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017(In Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	8	1264,03,956	19,45,015
Total Non Current Assets		**1264,03,956**	**19,45,015**
Current Assets			
Inventories	6	22724,20,360	26661,96,065
Financial assets			
Trade receivables	5	42810,03,427	40387,53,292
Cash and bank balances	4	1398,64,230	322,25,573
Other Current Assets	7	981,16,607	739,57,533
Total Current assets		**67914,04,624**	**68111,32,463**
Total Assets		**69178,08,580**	**68130,77,478**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		4668,97,500	4770,22,500
Other Equity			
Other reserves		245,88,080	344,19,817
Retained earnings		677,85,394	137,66,470
Equity attributable to the owners of the Company		**5592,70,974**	**5252,08,786**
Non-Controlling interests		-	-
Total Equity		**5592,70,974**	**5252,08,786**
Non-Current Liabilities			
Provisions		782,27,327	522,01,403
Total Non-current Liabilities		**782,27,327**	**522,01,403**
Current Liabilities			
Financial Liabilities			
Trade and other payables	9	62623,98,776	62160,11,542
Current tax liabilities (net payables)		179,11,502	196,55,747
Total Current Liabilities		**62803,10,278**	**62356,67,289**
Total Equity and Liabilities		**69178,08,580**	**68130,77,478**

REDINGTON SAUDI ARABIA DISTRIBUTION COMPANY
(LIMITED LIABILITY COMPANY)

STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2017(In Indian Rupees)

Particulars	Note No.	Period ended March 31, 2017	Period ended March 31, 2016
Comprehensive Income:			
(a).Revenue from operations		300569,42,248	116739,81,391
(b)Other gain / (losses)	12	39,32,160	37,83,588
(c).Total Revenue(a+b)		**300608,74,408**	**116777,64,979**
d.Expenses			
Purchase of traded goods		282368,44,323	129634,18,048
Changes in inventories		3937,75,705	(17580,24,505)
Employee Benefits	13	5089,58,579	2663,11,699
Depreciation & Amortisation		198,12,657	84,31,705
Other Expenses	14	8370,59,540	1537,64,558
Total Expenses(d)		**299964,50,803**	**116339,01,506**
Profit before Corporate social responsibility expenditure and Tax		**644,23,605**	**438,63,473**
Profit before exceptional items and tax		**644,23,605**	**438,63,473**
e.Profit before tax (c-d)		**644,23,605**	**438,63,473**
Income Tax expense:			
Current tax		(177,42,526)	(163,16,809)
h.Profit for the Year (e-f-g)		**466,81,079**	**275,46,665**
Total Comprehensive Income for the Year attributable to (h+k)		466,81,079	275,46,665
Profit for the year attributable to the :-			
Shareholders of the Company		466,81,079	275,46,665
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		466,81,079	275,46,665

The accompanying notes form an integral part of these financial statements

REDINGTON SAUDI ARABIA DISTRIBUTION COMPANY
(LIMITED LIABILITY COMPANY)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017(In Indian Rupees)

Particulars	**31-Mar-17**	**31-Mar-16**
Profit before income tax	644,23,605.05	438,63,473.17
Adjustments for		
Provision for Slow moving Inventories	(33,07,228.00)	213,02,236.75
Provision for Gratuity	223,43,844.81	100,29,985.96
Depritiation	198,12,657.04	84,31,705.03
Change in Working capital		
Increase in inventories	3514,63,694.44	(17190,74,229.62)
Prepaid expenses and other assets	(265,66,062.14)	(662,92,260.39)
Decrease/(increase) in trade and other receivables	(3558,77,997.93)	(28027,99,626.86)
Related parties due Net	(363,87,399.94)	43298,94,039.48
Trade and other payables	(461,64,510.44)	666,83,907.72
Accrued Expenses and other Liabilities	3015,34,077.46	495,95,727.97
Cash flow from operating activity	**(102,59,397.09)**	**(1079,60,768.76)**
Employees' end-of-service indemnity paid	(119,50,408.79)	(22,22,612.14)
Zakat and Income Tax Paid	(191,12,751.36)	(32,49,607.79)
Net cash (used in)/from operating activities	(413,22,557)	(1134,32,989)
Cash flow from investing activity		
Purchase of property and equipment	(1483,64,078.02)	(103,50,806.61)
Net cash in investing activity	(1483,64,078.02)	(103,50,806.61)
Net increase in cash and cash equivalents	(1586,23,475.12)	(1183,11,575.37)
Cash and Cash equivalents at the beginning of the year	322,25,573.00	1031,74,715.10
Currency transalation asjustment	2662,62,132.23	473,62,433.27
Cash and Cash equivalents at the end of the year	**1398,64,230.12**	**322,25,573.00**

The accompanying notes form an integral part of these financial

statements

REDINGTON SAUDI ARABIA DISTRIBUTION COMPANY
(LIMITED LIABILITY COMPANY)

STATEMENT OF CHANGES IN PARTNERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 2017(In Indian Rupees)

Particulars	Share capital	Statutory Reserve	Retained earnings	Foreign currency transalation reserve	Total Equity
As at March 2016	4770,22,500	68,73,152	275,46,665	137,66,470	5252,08,786
Profit for the year			466,81,079		466,81,079
Dividend paid			-		-
Other comprehensive income					-
Foreign currency adustment					-
Additions during the year		64,42,350	(64,42,350)	(126,18,891)	(126,18,891)
Deduction					-
Balance as at March 31, 2017	4668,97,500	129,66,590.91	677,85,394	11,47,579	5592,70,974

The accompanying notes form an integral part of these financial statements

1. ORGANIZATION AND ACTIVITIES

Redington Saudi Arabia Distribution Company ("the Company") is a 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) and Saudi Arabian General Investment Authority license No. 1049350636254 dated Jumada Al Thani 24, 1435H (corresponding to April 24, 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. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting standards in the Kingdom of Saudi Arabia issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). The following is a summary of significant accounting policies applied by the Company:

Basis of preparation

The financial statements are prepared under the historical cost convention using the accruals basis of accounting and the going concern assumption.

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 direct and indirect costs not specifically part of cost of sales costs as required under generally accepted accounting principles. Allocations between general and administrative expenses and cost of sales, when required, are made on a consistent basis

Accounts receivable

Accounts receivable are stated at original invoice amount net of allowance for doubtful debts. An allowance against doubtful debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined, for finished goods, on a weighted average cost basis and includes cost of materials, labor and an appropriate proportion of direct overheads incurred to bring the items to their present location and condition. All other inventories are valued on a weighted average cost basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Property and equipment

Property and equipment, except for land, are stated at cost less accumulated depreciation. Land is stated at cost. Expenditure on maintenance and repairs is expensed, while expenditure for improvement is capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight line method. Leasehold improvements are amortized over the shorter of the estimated useful life or the remaining term of the lease

The estimated useful lives of the principal classes of assets are as follows:

	Years
Furniture and fixtures	3-5
Warehouse equipments	3-5
Office equipments	3-5
Computers	3-5

Impairment

At each statement of financial position date, the Company reviews the carrying amounts of its property and equipment 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 and if it is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods/services when risks and rewards attributable to goods are transferred to the Company or services are received, whether or not billed to the Company.

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.

End-of-service indemnities

End-of-service indemnities, required by Saudi Arabian Labor Law, are provided in the financial statements based on the employees' length of service.

Income tax

The Company is subject to the Regulations of the General Authority of Zakat and Income Tax ("GAZIT") in the Kingdom of Saudi Arabia. Income tax are provided on an accruals basis. Income tax is computed on adjusted net income. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally 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. 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.

Operating leases

Leases are classified as operating leases 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 leases are charged to the 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 rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting 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.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, as described in note 2, the 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 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.

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

An allowance for doubtful debts is determined based on a combination of factors to ensure that receivables are not overstated due to uncollectability. Factors involved in this determination include aging and customers' financial conditions. In relation to related parties, management believes these are generally fully recoverable based on the relationship with these parties

Allowance for slow moving and obsolete inventories

Inventories are stated at the lower of cost and net realizable value. Adjustments to reduce the cost of inventories to net realizable value, if required, are made at the product level for estimated excess, obsolescence or damages. Factors influencing these adjustments include change in demand, product pricing, physical deterioration and quality issues.

Useful lives of property, plant and equipment

Estimated useful lives of property and equipment are determined for calculating depreciation, taking into account the expected usage of assets and physical wear and tear. Residual values and estimated useful lives are reviewed annually.

4. CASH AND BANK BALANCES

Particulars	**31-Mar-17**	**31-Mar-16**
(a) Cash on hand	3,33,745	1,31,817
(b) Balances with banks	1395,30,485	320,93,756
Total	**1398,64,230**	**322,25,573**

5. TRADE RECEIVABLES

Trade receivables include INR 1,76,66,34,760 (2016: INR 2,60,10,21,965) representing 41% of total trade receivables (2016: 65%), due from nine major customers (2016: six).

RELATED PARTY TRANSACTIONS AND BALANCES

During the year/period, the Company transacted with the following related parties. The terms of those transactions were approved by the Company's management:

Particular	**31-Mar-17**	**31-Mar-16**
Revenue	126782739	220573681
Purchase of inventory	29578839817	11895181425
Discounts, rebates and promotion compensation	1632836660	917314693
End-of-service indemnities transferred from an affiliate	17623414	31837859

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 discounts, rebates and promotion compensation receivable from RGF and set-off against the payable amounts to RGF.

Due to Related Parties		
Particulars	**31-Mar-17**	**31-Mar-16**
Redington Gulf FZE	58416,60,959	52216,76,833
Candensworth FZE	-	8171,58,040
Total	**58416,60,959**	**60388,34,873**

Due from Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Ensure Services Arabia LLC	-	170,50,339
Total	-	**170,50,339**

6. INVENTORIES

Particulars	**31-Mar-17**	**31-Mar-16**
(a) Trading Stocks	22620,24,628	26444,39,386
(b) Goods In Transist	103,95,732	217,56,678
Total	**2272420360**	**26661,96,065**

movement in the allowance for slow-moving inventory is as follows:

Particulars	**31-Dec-16**	**31-Dec-15**
Opening Balance	**211,31,625.22**	**-**
Additional Provisions	**-**	**215,89,879.34**
Provisions no longer required	**(32,03,003.31)**	**-**
Closing Balance	**179,28,621.91**	**215,89,879.34**

7. OTHER CURRENT ASSETS

Particulars	**31-Mar-17**	**31-Mar-16**
Others	981,16,607	739,57,533
Total	**981,16,607**	**739,57,533**

8. PROPERTY AND EQUIPMENT, NET

Description	Plant and Equipment	Furniture & Fixtures	Office Equipments	Computers	Total
Cost					
As at 01.04.16	-	8,34,878	-	96,55,695	104,90,573
Additions	514,10,205	575,09,682	163,52,714	230,91,477	1483,64,078
Assets of Subsidiaries acquired	-	-	-	-	-
Disposal	-	-	-	-	-
Translation adjustments	(16,20,152)	(18,30,093)	(5,15,343)	(9,32,656)	(48,98,244)
As at 31.03.17	**497,90,053**	**565,14,467**	**158,37,371**	**318,14,517**	**1539,56,407**
Accumulated Depreciations					
As at 01.04.16	-	83,497	-	84,62,061	85,45,558
Additions	72,04,159	54,70,117	24,53,625	46,84,756	198,12,657
Assets of subsidiaries acquired	-	-	-	-	-
Disposals	-	-	-	-	-
Disposal of Assets of EA					-
Translation adjustments	(2,27,033)	(1,74,159)	(77,324)	(3,27,247)	(8,05,763)
As at 31.03.17	**69,77,126**	**53,79,455**	**23,76,301**	**128,19,570**	**275,52,452**
Carrying Amount					
As at 01.04.16	**-**	**7,51,381**	**-**	**11,93,634**	**19,45,015**
As at 31.03.17	**428,12,927**	**511,35,012**	**134,61,070**	**189,94,947**	**1264,03,956**

9. TRADE PAYABLES

Particulars	**31-Mar-17**	**31-Mar-16**
(a) Trade Payables	219,88,469	681,44,537
Due to related parties	58416,60,959	60388,34,873
(b) Other Payables	3987,49,348	1090,32,132
Total Trade Payables	**6262398776**	**6216011542**

12. OTHER GAIN

Particulars	31-Mar-17	31-Mar-16
Other Non operating incom	39,32,160	37,83,588
Total	**39,32,160**	**37,83,588**

13. EMPLOYEE BENEFIT COST

Particulars	31-Mar-17	31-Mar-16
Salaries	5089,58,579	2663,11,699
Total	**5089,58,579**	**2663,11,699**

14. OTHER EXPENSES

Particulars	31-Mar-17	31-Mar-16
Rent	632,28,682	93,69,222
Freight	1016,71,679	183,20,299
Insurance	361,46,498	129,67,681
Communication	157,30,871	20,71,737
Sales Promotion Expenses	1048,59,813	144,92,607
Travelling Expenses	303,41,435	186,59,493
Professional Charges	41,47,761	40,21,589
Bank Charges	339,23,580	263,50,264
Miscellaneous Expenses	4470,09,221	475,11,666
Total	**8370,59,540**	**1537,64,558**

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT AND FAIR VALUE

The Company’s financial instruments carried on the statement of financial position include cash and cash equivalents, receivables, other assets, accounts payable, due to related parties and other liabilities. The Company is exposed to the following risks and its processes for managing these risks are set out below

Commission rate risk
Commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market commission rates. The Company has no commission bearing assets or liabilities.

Currency risk
Currency risk the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Management monitors the fluctuations in currency exchange rates and believes that the currency risks are not significant.

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 assets which potentially subject the Company to concentrations of credit risk consist principally of cash at bank and receivables. Cash at bank is placed with reliable financial institutions. Outstanding receivables are monitored by the management.

Liquidity risk

Liquidity risk is the risk that the Company 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

16. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. As the Company's financial instruments are compiled under the historical cost convention, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Company's financial assets and liabilities are not materially different from their carrying values

17. COMPARATIVE FIGURES

Certain figures for the period ended March 31, 2016 have been reclassified to conform to the presentation of the current year.

18.All figures in Indian Rupees unless otherwise stated

PAYNET ÖDEME HİZMETLERİ A.Ş.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016 AND
INDEPENDENT AUDITOR'S REPORT

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Statement of Financial Position

Particulars	Note No.	Amount in ₹ As at December 31, 2016	As at December 31, 2015
Assets			
Non-Current Assets			
Property,Plant and Equipment	4A	3,872.01	2,630.15
Other Intangible assets	4B	4,950.77	8,638.67
Income tax asset (Net)		1,425.51	1,020.32
		10,248.30	**12,289.14**
Current Assets			
Financial assets			
Trade receivables	5	1,964.90	-
Cash and bank balances	6	116,410.62	157,990.21
Other Current Assets	7	2,889.56	113.37
Total Current assets		**121,265.07**	**158,103.58**
Total Assets		**131,513.37**	**170,392.72**
Equity and liabilities			
Shareholders' funds	**SOCE**		
Equity Share Capital		38,527.43	45,347.36
Other Equity		18,628.01	21,426.63
Equity attributable to the owners of the Company		**57,155.44**	**66,773.99**
Non-Controlling interests		-	-
Total Equity		**57,155.44**	**66,773.99**
Current Liabilities			
Financial Liabilities			
Trade and other payables	8	72,431.56	90,989.48
Current tax liabilities (net payables)		115.58	5,373.66
Other Current Liablities	9	1,810.79	7,255.58
Total Current Liabilities		**74,357.93**	**103,618.72**
Total Equity and Liabilities		**131,513.37**	**170,392.72**
See accompanying notes forming part of the financial statements			

Statement of Profit or Loss and Other Comprehensive Income

Particulars	Note No.	Amount in ₹ Period ended December 31, 2016	Period ended December 31, 2015
Comprehensive Income:			
(a).Revenue from operations	10	197,835.35	126,213.73
(b)Other income	11	6,182.35	4,691.26
(c).Total Revenue(a+b)		**204,017.70**	**130,904.99**
d.Expenses			
Purchase of traded goods	12	143,131.55	77,784.81
Employee Benefit Expenses	13	36,692.39	13,102.35
Depreciation & Amortisation	4	6,695.69	5,378.36
Other Expenses	14	16,873.14	6,634.10
Total Expenses(d)		**203,392.78**	**102,899.62**
e.Profit before tax (c-d)		**624.93**	**28,005.37**
Income Tax expense:			
Current tax		(133.91)	(5,615.29)
Deferred tax		-	-
g.Share of Loss of Associate		-	-
h.Profit for the Year (e-f-g)		**491.02**	**22,390.08**
Other Comprehensive income			
(i) Items that may be subsequently classified to Profit and loss			
Foreign exchange differences in translating the financial statements of froreign operations		-	-
(j)Items that will not be subsequently classified to Profit and loss			
Remeasurement of Defined benefit obligation		-	-
k.Total Other comprehensive income(i+j)		-	-
Total Comprehensive Income for the Year attributable to (h+k)		491.02	22,390.08
Profit for the year attributable to the :-			
Shareholders of the Company		491.02	22,390.08
Non-Controlling Interests		-	-
Total Comprehensive Income for the year attributable			
Shareholders of the Company		491.02	22,390.08
Non-Controlling Interests		-	-

See accompanying notes forming part of the financial statements

Statement of Changes in Equity (SOCE)

Particulars	Share capital	Share premium	Cashflow hedge reserve	Acutarial loss	Retained earnings	Foreign currency transalation reserve	Total Equity
							Amount in ₹
Balance as per perious balance sheet	45,347.36	-	-	-	22,390.08	(963.45)	66,773.99
Profit for the year					491.02		491.02
Dividend paid					-		-
Other comprehensive income			-				-
Foreign currency adustment	(6,819.94)	-	-				(6,819.94)
Additions during the year				-		(3,289.63)	(3,289.63)
Balance as at December 31, 2016	38,527.43	-	-	-	22,881.09	(963.45)	57,155.44

See accompanying notes forming part of the financial statements

Statement of Cashflows

Particulars	Amount in ₹	
	31-Dec-16	**31-Dec-15**
Profit before income tax	624.93	28,005.37
Adjustments for		
Depreciation	6,695.69	5,378.36
Change in Working capital		
Change in recievables	(2,276.53)	-
Change in other current & non current assets	(3,883.50)	(1,184.66)
Change in Trade payables	(5,646.70)	95,080.85
Change in other current and non current liabilities	(5,044.09)	7,581.83
Taxes paid	(5,289.60)	
Net cash flow from operating activity	**(14,819.80)**	**134,861.75**
Cash flow from investing activity		
Capital expenditure	(5,825.25)	(17,082.80)
Net cash in investing activity	(5,825.25)	(17,082.80)
Cash flow from financing activity		
Share capital increase	-	47,386.42
Net cashflow from financing activity	**-**	**47,386.42**
Net increase in cash and cash equivalents	(20,645.05)	165,165.36
Cash and Cash equivalents at the beginning of the year	157,990.21	-
Currency transalation asjustment	(20,934.54)	(7,175.15)
Cash and Cash equivalents at the end of the year	**116,410.62**	**157,990.21**

See accompanying notes forming part of the financial statements

Notes forming part of the Financial Statements

1) ORGANISATION AND PRINCIPAL ACTIVITIES

On 16 January 2015, Arena Bilgisayar San. ve Tic. A.Ş. established Paynet Ödeme Hizmetleri A.Ş. (the Company) to operate in the payment intermediation services area with an initial capital of TL 2.000.000 (two millions of Turkish Lira) with TL 1.000,00 face value for each share.

The Company is registered and operates in Turkey. Paynet Ödeme Hizmetleri A.Ş. got the payment agency licence under the law number 6493 and with pursuant to Article 6973 of the BRSA and published in the Offical Gazette with number 29804 as of 17 August 2016.

The address of its registered office is as follows:

Merkez Mahallesi, Göktürk Caddesi No.4
Eyüp 34077 Istanbul
Turkey

The average number of employees of the Company at 31 December 2016 is 22 (31 December 2015: 13).

2) BASIS OF PREPARATION OF FINANCIAL INFORMATION

a) Basis of Preparation

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 Indian Accounting Standards ("IND AS"). The financial 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 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 Indian Accounting Standards

i) Amendments to IND ASs affecting amounts reported and/or disclosures in the financial statements

None.

ii) New and revised IND ASs applied with no material effect on the financial statements

The Company has not applied the following new and revised IND ASs that have been issued but are not yet effective:

IND AS 114	*Regulatory Deferral Accounts* [1]
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation* [1]
Annual Improvements to 2012-2014 Cycle	*IAS 5, IAS 7, IAS 19, IAS 34* [1]
Amendments to IAS 1	*Disclosure Initiative* [1]

[1] Effective for annual periods beginning on or after 1 January 2016.

IND AS 114 Regulatory Deferral Accounts

IND AS 114 Regulatory Deferral Accounts permits an entity, which is a first-time adopter of Indian Accounting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IND AS and in subsequent financial statements.

IND AS 114 was issued by the IASB on 30 January 2014 and is applied to an entity's first annual INDAS financial statements for a period beginning on or after 1 January 2016.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment clarifies 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

IND AS 105: Adds specific guidance in IND AS 105 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.

IND AS 107: 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 1 Disclosure Initiative

This amendment addresses perceived impediments to preparers exercising their judgment in presenting their financial reports.

b) New and Revised Indian Accounting Standards (continued)

iii) New and revised IND ASs in issue but not yet effective (continued)

The Company has not applied the following new and revised IND ASs that have been issued but are not yet effective:

Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealized Losses*[1]
Amendments to IAS 7	*Disclosure Initiative*[1]
IND AS 109	*Financial Instruments*[2]
IND AS 115	*Revenue from Contracts with Customers*[2]
Amendments to IND AS 115	*Revenue from Contracts with Customers*[2]
Amendments to IND AS 102	*Classification and Measurement of Share-Based Payment Transactions*[2]
IND AS 116	Leases [3]
Amendments to IND AS 104	Applying IND AS 109 'Financial Instruments' with IND AS 104 'Insurance Contracts'
Annual Improvements to IND AS Standards 2014–2016 Cycle	*IND AS 101* [2], *IND AS 112* [1], *IAS 28* [2]

[1] Effective for annual periods beginning on or after 1 January 2017.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses

This amendment clarifies the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

Amendments to IAS 7 Disclosure Initiative

This amendment clarifies that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IND AS 109 Financial Instruments

IND AS 109, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. IND AS 109 was 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 IND AS 109 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.

IND AS 115 Revenue from Contracts with Customers

IND AS 115 provides a single, principles based five-step model to be applied to all contracts with customers.
The five steps in the model are as follows:

- Identify the contract with the customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contracts.
- Recognise revenue when the entity satisfies a performance obligation.

Amendments to IND AS 115 Revenue from Contracts with Customers

This amendment clarifies three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and provides some transition relief for modified contracts and completed contracts.

Amendments to IND AS 102 Classification and Measurement of Share-Based Payment Transactions

This amendment clarifies the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity settled.

IND AS 116 Leases

This new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IND AS 116 supersedes IAS 17 "Leases" and related interpretations and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if IND AS 1015 'Revenue from Contracts with Customers' has also been applied.

Amendments to IND AS 104 Applying IND AS 109 'Financial Instruments' with IND AS 104 'Insurance Contracts'

This amendment provides optional approaches for entities that issue insurance contracts within the scope of IND AS 104, and the entities are permitted to stop applying them before the new insurance standard is applied.

Annual Improvements to Indian Accounting Standards 2014–2016 Cycle

• **IND AS 101:** Deletes the short-term exemptions in paragraphs E3–E7 of IND AS 101, because they have now served their intended purpose.

• **IND AS 1012:** Clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IND AS 105 Non-current Assets Held for Sale and Discontinued Operations.

• **IAS 28:** Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

The Company evaluates the effects of these standards, amendments and improvements on the financial statements.

3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

3.1 Accounting Policies

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. Commission revenues are recognized at the time all the services related with the payment platform are fully rendered.

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 6). Credit card receivables presented within cash and cash equivalents are transferred to bank accounts in the first business day following balance sheet date without any discount in the nominal value.

Trade receivable 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 (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 created to other income.

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

a) A person or a close member of that person's family is related to a reporting entity if that person,

(i) has control or joint control over the reporting entity,

(ii) has significant influence over the reporting entity,

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member)
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a)
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged (Note 15).

Property, equipment and related depreciation

Property and equipment are carried at cost less accumulated depreciation (Note 4A). 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 4B). 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.

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.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>

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.

<u>Deferred income taxes</u>

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.

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.

<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.

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 retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.The provision for employment termination benefits represents the present value of the estimated total provision of the future probable obligation of the Group 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.

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.

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.

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.

3.6 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.

4) A. PROPERTY, PLANT AND EQUIPMENT

Amount in ₹

Description	Land	Building	Plant and Equipment	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Capital work-in-progress	Total
Cost									
As at 01..01.15	-	-	-	3,469.07	-	-	-	-	3,469.07
Additions	-	-	-	3,548.72	-	-	-	-	3,548.72
Assets of Subsidiaries acquired	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-
Disposl of assets of EA									-
Translation adjustments	-	-	-	(1,007.51)	-	-	-	-	(1,007.51)
As at 31.12.16	-	-	-	**6,010.28**	-	-	-	-	**6,010.28**
Accumulated Depreciations									
As at 01..01.15	-	-	-	838.93	-	-	-	-	838.93
Additions	-	-	-	1,651.60	-	-	-	-	1,651.60
Assets of subsidiaries acquired	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Disposal of Assets of EA									-
Translation adjustments	-	-	-	(352.26)	-	-	-	-	(352.26)
As at 31.12.16	-	-	-	**2,138.27**	-	-	-	-	**2,138.27**
Carrying Amount									
As at 01..01.15	-	-	-	**2,630.15**	-	-	-	-	**2,630.15**
As at 31.12.16	-	-	-	**3,872.01**	-	-	-	-	**3,872.01**

B. INTANGIBLE ASSETS

Amount in ₹

Particulars	Software	Non competition agreement	Trade name	Customer relation	Contract based intangible assets	Other Intangibles	Total
Cost							
As at 01..01.15	12,878.65	-	-	-	-	-	12,878.65
Additions	2,276.53	-	-	-	-	-	2,276.53
Assets acquired on acquisition	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Translation adjustment	(2,248.50)	-	-	-	-	-	(2,248.50)
As at 31.12.16	**12,906.69**	-	-	-	-	-	**12,906.69**
Accumulated Depreciation							
Particulars	**Software**	**Non competition agreement**	**Trade name**	**Customer relation**	**Contract based intangible assets**	**Other Intangible**	**Total**
As at 01..01.15	4,239.98	-	-	-	-	-	4,239.98
Additions	5,044.09	-	-	-	-	-	5,044.09
Assets acquired on acquisition							-
Disposals	-	-			-		-
Disposal of assets of EA							-
Translation adjustment	(1,328.15)	-	-	-	-	-	(1,328.15)
As at 31.12.16	**7,955.91**	-	-	-	-	-	**7,955.91**
Check	-	-					-
Carrying Amount							
As at 01..01.15	**8,638.67**	-	-	-	-	-	**8,638.67**
As at 31.12.16	**4,950.77**	-	-	-	-	-	**4,950.77**

5) TRADE RECEIVABLES

	Amount in ₹	
Particulars	**31-Dec-16**	**31-Dec-15**
Trade Receivables	1,964.90	-
Total Trade and other receivable	**1,964.90**	-

6) CASH AND BANK BALANCES

	Amount in ₹	
Particulars	**31-Dec-16**	**31-Dec-15**
(a) Cash on hand	21,324.93	41,832.94
(b) Balances with banks	-	-
(i) In current accounts	-	-
(ii) In deposit accounts	95,085.69	116,157.27
Total	**116,410.62**	**157,990.21**

7) OTHER CURRENT ASSETS

	Amount in ₹	
Particulars	**31-Dec-16**	**31-Dec-15**
Prepayments	1,926.37	22.67
Receivable from Government authorities	905.39	-
Others	57.79	90.69
Total	**2,889.56**	**113.37**

8) TRADE AND OTHER PAYABLES

	Amount in ₹	
Particulars	**31-Dec-16**	**31-Dec-15**
(a) Trade Payables	69,734.64	90,218.58
(b) Other Payables	2,696.92	770.91
Total Trade Payables	**72,431.56**	**90,989.48**

9) OTHER CURRENT LIABILITIES

	Amount in ₹	
Particulars	**31-Dec-16**	**31-Dec-15**
Other Liabilities	1,810.79	7,255.58
Total	**1,810.79**	**7,255.58**

10) REVENUE

	Amount in ₹	
Particulars	**31-Dec-16**	**31-Dec-15**
Sales	197,835.35	126,213.73
Total	**197,835.35**	**126,213.73**

11) OTHER IINCOME

	Amount in ₹	
Particulars	**31-Dec-16**	**31-Dec-15**
Interest Received	6,182.35	4,691.26
Total	**6,182.35**	**4,691.26**

12) PURCHSES OF TRADED GOODS

	Amount in ₹	
Particulars	**31-Dec-16**	**31-Dec-15**
Purchases	143,131.55	77,784.81
Total	**143,131.55**	**77,784.81**

13) EMPLOYEE BENEFIT EXPENSES

	Amount in ₹	
Particulars	**31-Dec-16**	**31-Dec-15**
Salaries and Bonus	36,692.39	13,102.35
Total	**36,692.39**	**13,102.35**

14) OTHER EXPENSES

	Amount in ₹	
Particulars	**31-Dec-16**	**31-Dec-15**
Rent	2,142.62	1,089.89
Repairs and Maintenance	5,111.04	1,919.15
Travel	513.34	355.40
Professional Charges	1,495.37	473.86
Exchange Gain/(Loss) Net	-	118.47
Miscellaneous Expenses	7,610.77	2,677.33
Total	**16,873.14**	**6,634.10**

15) TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Major transactions with related parties for the years ended 31 December 2016 and 2015 is as follows:

Due to related parties		
	Amount in ₹	
Particulars	**31-Dec-16**	**31-Dec-15**
Arena Bilgisayar Sanayi Ve Ticaret Anonim Şirketi	-	272.08
Sensonet Teknoloji Elektronık Ve Bılısım Hızmetlerı Sanayı Ve Tıcaret Anonim Şırketı	1,309.93	340.11
Total	**1,309.93**	**612.19**

The trade receivables from related parties mainly related with advance payments.

Sales to related parties		
	Amount in ₹	
Particulars	**31-Dec-16**	**31-Dec-15**
Arena Bilgisayar Sanayi Ve Ticaret Anonim Şirketi	59,524.69	54,778.70
Total	**59,524.69**	**54,778.70**

Purchases form related parties		
	Amount in ₹	
Particulars	**31-Dec-16**	**31-Dec-15**
Arena Bilgisayar Sanayi Ve Ticaret Anonim Şirketi	5,021.77	12,036.15
Total	**5,021.77**	**12,036.15**

The purchases from related parties are generally due to purchase transactions within the oprating segments of the Company.

Other income derived from related parties		
	Amount in ₹	
Particulars	**31-Dec-16**	**31-Dec-15**
Arena Bilgisayar Sanayi Ve Ticaret Anonim Şirketi	13,391.38	7,984.61
Total	13,391.38	7,984.61

Other income consisted of cost sharing invoices charged to related parties.

16) COMMITMENTS AND CONTINGENT LIABILITIES

The commitments and contingencies, at 31 December 2016 and 2015, from which the management does not anticipate any significant losses or liabilities are summarized below:

	Amount in ₹	
	31-Dec-16	**31-Dec-15**
Letter of guarantees given	18,300.53	11,336.84
Total	**18,300.53**	**11,336.84**

17) 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 2016 and 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

Particulars	Receivables				Bank deposits
	Trade receivables		Other receivables		
31st December 2016	**Related party**	**Other party**	**Related party**	**Other party**	
The maximum amount of exposure to credit risk at the end of the reporting period	-	1,964.90	-	-	95,085.69
Total receivables that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-
Financial assets that are neither past due nor impaired	-	1,964.90	-	-	95,085.69
The amount of financial assets that are past due as at the end of the reporting period but not impaired	-	-	-	-	-
Total amounts that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-
The amount of financial assets that are impaired	-	-	-	-	-
Past due (Gross book value)	-	-	-	-	-
The amount of impairment	-	-	-	-	-
The amount that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-

Particulars	Receivables				Bank deposits
	Trade receivables		Other receivables		
31st December 2015	**Related party**	**Other party**	**Related party**	**Other party**	
The maximum amount of exposure to credit risk at the end of the reporting period	-	-	-	-	116,157.27
Total receivables that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-
Financial assets that are neither past due nor impaired	-	-	-	-	116,157.27
The amount of financial assets that are past due as at the end of the reporting period but not impaired	-	-	-	-	-
Total amounts that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-
The amount of financial assets that are impaired	-	-	-	-	-
Past due (Gross book value)	-	-	-	-	-
The amount of impairment	-	-	-	-	-
The amount that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-

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.

The liquidity risk of the Company as of 31 December 2016 and 2015 is as follows:

Particulars	**Amount in ₹**			
31st December 2016	**Carrying value**	**Cashflows according to agreements (I+II)**	**Less than 3 months (I)**	**Between 3-12 months (II)**
Non derivative financial liabilities				
Trade payables	72,431.56	72,431.56	72,431.56	-
Total	72,431.56	72,431.56	72,431.56	-

Particulars	**Amount in ₹**			
31st December 2015	**Carrying value**	**Cashflows according to agreements (I+II)**	**Less than 3 months (I)**	**Between 3-12 months (II)**
Non derivative financial liabilities				
Trade payables	90,989.48	90,989.48	90,989.48	-
Total	**90,989.48**	**90,989.48**	**90,989.48**	**-**

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.

18) FINANCIAL INSTRUMENTS

Categories of financial instruments and fair values					
	Amount in ₹				
Particulars	Loans and receivables	Financial liabilities at amortized cost	Carrying value	Fair value	Note
31st December 2016					
Financial assets					
Cash and Cash equivalents	116,410.62	-	116,410.62	116,410.62	6
Trade Receivables	1,964.90	-	1,964.90	1,964.90	5
Financial liabilities					
Trade payables	-	72,431.56	72,431.56	72,431.56	8
31st December 2015					
Financial assets					
Cash and Cash equivalents	157,990.21	-	157,990.21	157,990.21	6
Financial liabilities					
Trade payables	-	90,989.48	90,989.48	90,989.48	8

19) SUBSEQUENT EVENTS

None.

SENSONET TEKNOLOJİ ELEKTRONİK VE BİLİŞİM HİZMETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016 AND
INDEPENDENT AUDITOR'S REPORT

SENSONET TEKNOLOJİ ELEKTRONİK VE
BİLİŞİM HİZMETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ

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(Amounts expressed in Indian rupees)

Consolidated Statement of Financial postion (SOFP) as at December 31, 2016

Particulars	Note No.	As at December 31, 2016	As at December 31, 2015
Assets			
Non-Current Assets			
Furnitures and Fixtures(PE)	9	1,630,200.00	2,646,200.00
Other Intangible assets(Software)	10	135,850.00	396,930.00
		1,766,050.00	**3,043,130.00**
Current Assets			
Inventories	7	596,789,050.00	576,540,825.00
Financial assets			
Trade receivables	5	362,311,950.00	280,100,270.00
Cash and bank balances	4	8,558,550.00	37,509,885.00
Other Current Assets	8	95,978,025.00	95,130,890.00
Total Current assets		**1,063,637,575.00**	**989,281,870.00**
Total Assets		**1,065,403,625.00**	**992,325,000.00**
Equity and liabilities			
Shareholders' funds(Refer SOCE)			
Equity Share Capital	**16**	16,573,700.00	16,141,820.00
Other Equity		196,099,475.00	157,184,280.00
Equity attributable to the owners of the Company		**212,673,175.00**	**173,326,100.00**
Non-Controlling interests		-	-
Total Equity		**212,673,175.00**	**173,326,100.00**
Non-Current Liabilities			
Deferred Tax Liabilities (Net)		5,434,000.00	3,307,750.00
Provisions	15	1,426,425.00	463,085.00
Total Non-current Liabilities		**6,860,425.00**	**3,770,835.00**
Current Liabilities			
Financial Liabilities			
Trade and other payables	13	342,953,325.00	278,181,775.00
Borrowings	12	479,346,725.00	496,824,050.00
Other Current Liablities	14	23,569,975.00	40,222,240.00
Total Current Liabilities		**845,870,025.00**	**815,228,065.00**
Total Equity and Liabilities		**1,065,403,625.00**	**992,325,000.00**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of profit or Loss and other comprehensive income for the Period Ended December 31, 2016

SENSONET TEKNOLOJİ ELEKTRONİK VE
BİLİŞİM HİZMETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016
(Amounts expressed in Indian rupees)

Particulars	Note No.	Period ended December 31, 2016	Period ended December 31, 2015
Comprehensive Income:			
(a).Revenue from operations	17	1,130,301,782.88	928,078,720.77
(b).Other income(net)	17	201,563.65	192,560.77
(c).Total Revenue(a+b)		**1,130,503,346.54**	**928,271,281.54**
d.Expenses			
Purchase of traded goods		940,856,620.00	973,971,100.77
Changes in inventories		(20,248,225.00)	(226,129,260.00)
Employee Benefits	18	50,054,974.04	43,261,986.15
Finance Costs	19	71,420,721.35	53,917,015.38
Depreciation & Amortisation		1,814,072.88	2,182,355.38
Other Expenses	18	36,550,209.23	37,164,228.46
Total Expenses(d)		**1,080,448,372.50**	**884,367,426.14**
e.Profit before tax (c-d)		**50,054,974.03**	**43,903,855.39**
Income Tax expense:			
Current tax		(15,789,152.88)	(12,580,636.92)
g.Share of Loss of Associate		-	-
h.Profit for the Year (e-f-g)		**34,265,821.15**	**31,323,218.47**
Other Comprehensive income			
(i) Items that may be subsequently classified to Profit and loss			
Foreign exchange differences in translating the financial statements of froreign operations		67,187.88	(128,373.85)
(j)Items that will not be subsequently classified to Profit and loss			
Remeasurement of Defined benefit obligation		-	-
k.Total Other comprehensive income(i+j)		67,187.88	(128,373.85)
Total Comprehensive Income for the Year attributable to (h+k)		34,333,009.03	31,194,844.63
Profit for the year attributable to the :-			
Shareholders of the Company		34,265,821.15	31,323,218.47
Non-Controlling Interests		-	-
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		34,333,009.03	31,194,844.63
Non-Controlling Interests		-	-

The accompanying notes form an integral part of these financial statements.

SENSONET TEKNOLOJİ ELEKTRONİK VE
BİLİŞİM HİZMETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ

STATEMENT OF CASH FLOWS FOR THE PERIOD BETWEEN 1 JANUARY - 31 DECEMBER 2016

(Amounts expressed in Indian rupees)

Consolidated Statement of Changes in Equity (SOCE)for the Year Ended December 31,2016

Particulars	Share capital	Cashflow hedge reserve	Retained earnings	FCTR	Total Equity
Balance as per perious balance sheet	16,141,820.00	132,310.00	150,207,228.47	6,844,741.53	173,326,100.00
Profit for the year			34,265,821.15		34,265,821.15
Other comprehensive income					-
Foreign currency adustment	431,880.00				431,880.00
Additions during the year				4,649,373.85	4,649,373.85
Balance as at December 31, 2016	16,573,700.00	132,310.00	184,473,049.62	6,844,741.53	212,673,175.00

The accompanying notes form an integral part of these financial statements

Consolidated Cash Flow Statement for the Year ended December 31, 2016

Particulars	31-Dec-16	31-Dec-15
Profit before income tax	50,054,974.03	43,903,855.39
Adjustments for		
Interest expense	71,420,721.35	53,917,015.38
Depreciation	1,814,072.88	2,182,355.38
Change in Working capital		
Change in recievables	(72,361,351.73)	8,408,486.92
Inventories	(15,587,589.23)	(214,384,323.08)
Other assets	(3,829,709.42)	(7,124,748.46)
Trade payables	56,706,574.62	205,847,462.31
Other liabilities	(8,129,734.04)	(7,509,870.00)
Taxes paid	(21,634,498.85)	(9,050,356.15)
Net cash flow from operating activity	**58,453,459.61**	**76,189,877.70**
Cash flow from investing activity		
Capital expenditure	(470,315.19)	(385,121.54)
Net cash in investing activity	(470,315.19)	(385,121.54)
Cash flow from financing activity		
Increase in bank borrowings	(25,262,644.62)	(13,736,001.54)
Interest expense	(57,176,889.81)	(41,657,313.08)
Net cashflow from financing activity	**(82,439,534.42)**	**(55,393,314.62)**
Net increase in cash and cash equivalents	(24,456,390.00)	20,411,441.54
Cash and Cash equivalents at the beginning of the year	37,509,885.00	16,199,995.00
Currency transalation asjustment	70,524,825.00	33,298,438.46
Cash and Cash equivalents at the end of the year	**8,558,550.00**	**37,509,885.00**

The accompanying notes form an integral part of these financial statements.

NOTE 1 - ORGANISATION AND PRINCIPAL ACTIVITIES

Arena Bilgisayar San. ve Tic. A.Ş.'s Board of Directors decided to establish a new commercial company under the name of Sensonet Teknolojileri Elektronik ve Bilişim Hizmetleri Sanayi ve Ticaret A.Ş. ("Sensonet") in March 2012. The procedures relating to the establishment has been completed on 11 May 2012 and the share capital of TL 449.000 has been paid by the Arena Bilgisayar San. ve Tic. A.Ş. (total share capital of Sensonet is TL 450.000).

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 in Turkey.

The Company is registered and operates in Turkey. The address of its registered office is as follows:

Ramazanoğlu Mah. Transtek Cad. No:2
34906 Pendik-Istanbul
Turkey

The average number of employees of the Company at 31 December 2016 is 19 (31 December 2015: 18).

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION

a) Basis of Preparation

These financial statements of Sensonet Teknoloji Elekt. Ve Biliş. Hiz. San. Ve Tic. A.Ş. at 31 December 2016 have been prepared in accordance with Indian Accounting Standards ("INDAS").

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 INDAS.

The Company'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 in accordance with INDAS 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.

Going Concern

The financial statements of the Company is 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 Indian Accounting Standards

i) Amendments to INDASs affecting amounts reported and/or disclosures in the financial statements

None.

(Amounts expressed in Indian rupees)

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION (continued)

ii) New and revised INDASs applied with no material effect on the financial statements

The Company has not applied the following new and revised INDASs that have been issued but are not yet effective:

INDAS 114	*Regulatory Deferral Accounts* [1]
Amendments to INDAS 16 and INDAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation* [1]
Annual Improvements to 2012-2014 Cycle	*INDAS 5, INDAS 7, INDAS 19, INDAS 34*[1]
Amendments to INDAS 1	*Disclosure Initiative*[1]

[1] Effective for annual periods beginning on or after 1 January 2016.

INDAS 14 Regulatory Deferral Accounts

INDAS 14 Regulatory Deferral Accounts permits an entity, which is a first-time adopter of lIndian Accounting Standards to continue to account, with some limited changes, for ‘regulatory deferral account balances’ in accordance with its previous GAAP, both on initial adoption of INDAS and in subsequent financial statements.

INDAS 14 was issued by the INDASB on 30 January 2014 and is applied to an entity's first annual INDAS financial statements for a period beginning on or after 1 January 2016.

Amendments to INDAS 16 and INDAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment clarifies 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

INDAS 105: Adds specific guidance in INDAS 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.

INDAS 107: 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.

INDAS 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.

INDAS 34: Clarify the meaning of ‘elsewhere in the interim report’ and require a cross-reference.

Amendments to INDAS 1 Disclosure Initiative

This amendment addresses perceived impediments to preparers exercising their judgment in presenting their financial reports.

b) New and Revised Indian Accounting Standards (continued)

iii) New and revised INDASs in issue but not yet effective

(Amounts expressed in Indian rupees)

The Company has not applied the following new and revised INDASs that have been issued but are not yet effective:
NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION (continued)

Amendments to INDAS 12	*Recognition of Deferred Tax Assets for Unrealized Losses*[1]
Amendments to INDAS 7	*Disclosure Initiative*[1]
INDAS 109	*Financial Instruments*[2]
INDAS 15	*Revenue from Contracts with Customers*[2]
Amendments to INDAS 15	*Revenue from Contracts with Customers*[2]
Amendments to INDAS 102	*Classification and Measurement of Share-Based Payment Transactions*[2]
INDAS 17	Leases [3]
Amendments to INDAS 4	Applying INDAS 109 'Financial Instruments' with INDAS 4 'Insurance Contracts'
Annual Improvements to INDAS Standards 2014–2016 Cycle	*INDAS 1* [2], *INDAS 12* [1], *INDAS 28* [2]

[1] Effective for annual periods beginning on or after 1 January 2017.
[2] Effective for annual periods beginning on or after 1 January 2018.
[3] Effective for annual periods beginning on or after 1 January 2019.

Amendments to INDAS 12 Recognition of Deferred Tax Assets for Unrealized Losses

This amendment clarifies the following aspects:

• Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
• The carrying amount of an asset does not limit the estimation of probable future taxable profits.
• Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
• An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

Amendments to INDAS 7 Disclosure Initiative

This amendment clarifies that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

INDAS 109 Financial Instruments

INDAS 109, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. INDAS 109 was 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 INDAS 109 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.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION (continued)

b) New and Revised Indian Accounting Standards (continued)

iii) New and revised INDASs in issue but not yet effective (continued)

INDAS 15 Revenue from Contracts with Customers

INDAS 15 provides a single, principles based five-step model to be applied to all contracts with customers.
The five steps in the model are as follows:
- Identify the contract with the customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contracts.
- Recognise revenue when the entity satisfies a performance obligation.

Amendments to INDAS 15 Revenue from Contracts with Customers

This amendment clarifies three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and provides some transition relief for modified contracts and completed contracts.

Amendments to INDAS 102 Classification and Measurement of Share-Based Payment Transactions

This amendment clarifies the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity settled.

INDAS 17 Leases

This new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. INDAS 17 supersedes INDAS 17 “Leases” and related interpretations and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if INDAS 15 'Revenue from Contracts with Customers' has also been applied.

Amendments to INDAS 4 Applying INDAS 109 ‘Financial Instruments’ with INDAS 4 ‘Insurance Contracts’

This amendment provides optional approaches for entities that issue insurance contracts within the scope of INDAS 4, and the entities are permitted to stop applying them before the new insurance standard is applied.

b) New and Revised Indian Accounting Standards (continued)

iii) New and revised INDASs in issue but not yet effective (continued)

Annual Improvements to INDAS Standards 2014–2016 Cycle

- **INDAS 1:** Deletes the short-term exemptions in paragraphs E3–E7 of INDAS 1, because they have now served their intended purpose.

- **INDAS 12:** Clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity’s interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with INDAS 105 Non-current Assets Held for Sale and Discontinued Operations.

- **NOTE 2 - BASIS OF PREPARATION OF FINANCIAL INFORMATION (continued)**

• **INDAS 28:** Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

The Company evaluates the effects of these standards, amendments and improvements on the financial statements.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

3.1 Accounting 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 the goods are delivered and titles have passed, at which time all the following conditions are satisfied; i) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods, ii) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, iii) The amount of revenue can be measured reliably, iv) It is probable that the economic benefits associated with the transaction will flow to the entity, v) The costs incurred or to be incurred in respect of the transaction can be measured reliably. 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 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 aacquisition 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 balance sheet date without any discount in the nominal value.

3.1 Accounting Policies (continued)

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 (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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

a) A person or a close member of that person's family is related to a reporting entity if that person,

(i) has control or joint control over the reporting entity,

(ii) has significant influence over the reporting entity,

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member)
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a)
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged (Note 6).

Inventories

Inventories are valued 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 selling expenses to perform the sales. The cost of inventories is determined on the moving average basis for each purchase (Note 7).

3.1 Accounting Policies (continued)

Derivative financial instruments and hedge accounting

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Company uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

The significant interest rate risk arises from bank loans and trade receivables of Turkish Liras. The Company's policy is to convert Turkish Liras bank loans and trade receivables to US Dollars. The Company designates these as cash flow hedges of interest rate risk.

The Company does not use derivative financial insturements for the purpose of speculation.

Derivatives are initially recognized at fair value at the date the derivative 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 unless the derivative is designated and effective as a hedging instrument, in which event the resulting gain or loss is recognized under equity.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

The Company's policy is to use derivative financial instruments to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. When the forecasted transaction or firm commitment results in the recognition of an asset or a liability, the gains and losses related with derivative financial instruments previously recognized under equity are transferred from equity and included in the initial measurement of the cost of acquisition of the asset or liability. When the forecasted transaction or firm commitment do not result in the recognition of an asset or liability, gains or losses related with derivative financial instruments previously recognized 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. Changes in the fair value of derivative financial instruments which do not meet the criteria for hedge accounting recognized in profit or loss statement in the period they occurred.

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 not measured at FVTPL.

Property, equipment and related depreciation

Property and equipment are carried at cost less accumulated depreciation (Note 9). 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.

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.

3.1 Accounting Policies (continued)

Intangible assets

Intangible assets include licences and computer software (Note 10). 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.

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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

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 (Note 12).

3.1 Accounting Policies (continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>

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.

<u>Deferred income taxes</u>

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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

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 thetemporary 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.

3.1 Accounting Policies (continued)

Provision for employment termination benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No. 19 (revised) "Employee Benefits" ("INDAS 19").

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

The provision for employment termination benefits represents the present value of the estimated total provision of the future probable obligation of the Group 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)
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.

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 statement of financial position 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 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.

3.6 Comparative Information and Restatement of Prior Period Financial Statements

(Amounts expressed in Indian rupees)

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

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.

3.7 Critical judgments in applying the entity's accounting policies

Net realizable value

Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of profit or loss in the period the write-down or loss occurred. The Company management has identified certain inventory items where the net realizable values were below the cost of the related inventory. The Company has allowance for inventories at different rates in certain age of groups by taking into consideration of salable value of inventories on the market conditions.

Trade receivables and impairment

Provision for impairment of receivables is recognized if the Company will not be able to collect all amounts due. The amount of the provision is calculated by examination of the Company's overdue receivables and calculation of net risk considering the guarantees and collaterals obtained. As of 31 December 2016, the provision amount is USD 80 (31 December 2015: USD 51) (Note 5).

Deferred taxes

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities.

NOTE 4 - CASH AND CASH EQUIVALENTS

The analysis of cash and due from banks at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
(a) Cash on hand	-	66,155.00
(b) Balances with banks	8,558,550.00	37,443,730.00
Total	**8,558,550.00**	**37,509,885.00**

NOTE 5 - TRADE RECEIVABLES

The analysis of accounts receivables at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
Considered good	362,311,950.00	280,100,270.00
Considered doubtful	5,434,000.00	3,373,905.00
Less: Provision for doubtful trade receivables	(5,434,000.00)	(3,373,905.00)
Total Trade receivable	**362,311,950.00**	**280,100,270.00**

(Amounts expressed in Indian rupees)

NOTE 5 - TRADE RECEIVABLES (continued)

Cheques receivables amounting to INR 136,053,775 were given to financial institutions as a guarantee for bank loans used (31 December 2015: INR 166,445,980).

The movements in the provision for impairment of receivables for the years ended 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
Balance as per last Balance sheet	3,464,175.00	5105835
Charge for the year	2,553,139.62	2,246,542.31
Collections	-	(1,412,112.31)
CTA	(583,314.62)	(2,476,090.00)
Closing balance	**5,434,000.00**	**3,464,175.00**

The Company obtained the following collaterals for its account receivables at 31 December 2016 and 2015:

Particulars	31-Dec-16	31-Dec-15
Insurance Coverage	224,424,200.00	356,244,675.00
Guarantee notes,cheques and letters of guarantee	90,679,875.00	79,650,620.00
Total	**315,104,075.00**	**435,895,295.00**

As at 31 December 2016, there are no accounts receivables which were past due but not impaired (31 December 2015: INR 7,277,050). These receivables relate to independent customers for whom there is no recent history of default. The aging analysis of these accounts receivables is as follows:

Particulars	31-Dec-16	31-Dec-15
Upto 1 month	-	3,506,215.00
1 to 2 months	-	330,775.00
2 to 3 months	-	1,653,875.00
Over 3 months	-	1,786,185.00
Total	-	**7,277,050.00**
Total Amount Secured		4,564,695.00

As at 31 December 2016, INR 42,249,350.00 of the INR 362,311,950.00 receivable amount have been secured by insurance coverage (31 December 2015: INR 110,081,920.00 of the INR 284,400,345.00 receivable amount).

NOTE 6 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

i) Major transactions with related parties for the years ended 31 December 2016 and 2015 is follows:

Due from Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Paynet Odeme Hizmetleri A.S.	1290575	330775

Due from Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Arena International FZE	256,348,950.00	208,586,715.00
Arena Bilgisayar San ve Tic.A.S	33,351,175.00	46,903,895.00
Total	**289,700,125.00**	**255,490,610.00**

(Amounts expressed in Indian rupees)

NOTE 6 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

The trade payables to related parties mainly related with advance payments.

Sale from Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Arena Bilgisayar San ve Tic.A.S	34,981,375.00	24,940,435.00

The sales to related parties are generally due to the sales transactions within the operating segments of the Company.

Purchase from Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Arena International FZE	518,947,000.00	664,196,200.00
Arena Bilgisayar San ve Tic.A.S	130,891,475.00	115,705,095.00
Total	**649,838,475.00**	**779,901,295.00**

The purchases from related parties are generally due to product purchase transactions.

Other Purchase from Related Parties		
Particulars	**31-Dec-16**	**31-Dec-15**
Arena Bilgisayar San ve Tic.A.S	16,573,700.00	14,487,945.00

Other purchases from related parties consisted of cost sharing invoices charged by related parties.

ii) Remuneration of directors and key management personnel for the year ended 31 December 2016 is INR 8,398,485.58 (31 December 2015: INR 5,776,823.077).

NOTE 7 - INVENTORIES

The analysis of inventories at 31 December 2016 and 2015 is as follows:

Particulars	**31-Dec-16**	**31-Dec-15**
(a) Trading Stocks	405,648,100.00	525,336,855.00
(b) Goods In Transist	191,140,950.00	51,203,970.00
Total	**596,789,050.00**	**576,540,825.00**

The movement of allowance for inventories at 31 December 2016 and 2015 is as follows:

Movement of allowance of inventories		
Particulars	**31-Dec-16**	**31-Dec-15**
Balance at January 1, 2016	**(19,902,025.00)**	**(7,277,050.00)**
Additional Provisions	**(11,071,775.00)**	**(12,304,830.00)**
Provisions no longer required	**135,850.00**	**198,465.00**
Balance at December 31, 2016	**(30,837,950.00)**	**(19,383,415.00)**

(Amounts expressed in Indian rupees)

NOTE 8 - OTHER CURRENT ASSETS

The analysis of other current assets at 31 December 2016 and 2015 is as follows:

Particulars	**31-Dec-16**	**31-Dec-15**
Unbilled revenue	-	-
Interest accrued but not due on bank deposits	88,642,125.00	50,873,195.00
Prepayments	1,766,050.00	1,587,720.00
Receivable from Government authorities	5,569,850.00	42,669,975.00
Total	**95,978,025.00**	**95,130,890.00**

NOTE 9 - PROPERTY AND EQUIPMENT

The movement in the property and equipment and related accumulated depreciation for the year ended 31 December 2016 and 2015 is as follows:

Description	**Plant and Equipment**	**Furniture & Fixtures**	**Total**
Cost			
As at 01..01.15	5,490,865.00	1,587,720.00	**7,078,585.00**
Additions	268,751.54	-	**268,751.54**
Translation adjustments	149,858.46	42,480.00	**192,338.46**
As at 31.12.16	**5,909,475.00**	**1,630,200.00**	**7,539,675.00**
Accumulated Depreciations			
As at 01..01.15	3,175,440.00	1,256,945.00	**4,432,385.00**
Additions	940,630.38	403,127.31	**1,343,757.69**
Translation adjustments	95,279.62	38,052.69	**133,332.31**
As at 31.12.16	**4,211,350.00**	**1,698,125.00**	**5,909,475.00**
Carrying Amount			
As at 01..01.15	**2,315,425.00**	**330,775.00**	**2,646,200.00**
As at 31.12.16	**1,698,125.00**	**(67,925.00)**	**1,630,200.00**

(Amounts expressed in Indian rupees)

NOTE 10 - INTANGIBLE ASSETS

The movements in intangible assets and related accumulated amortization for the year ended 31 December 2016 and 2015 is as follows:

Particulars	Software	Total
Cost		
As at 01..01.15	2,844,665.00	2,844,665.00
Additions	201,563.65	201,563.65
Translation adjustment	78,321.35	78,321.35
As at 31.12.16	**3,124,550.00**	**3,124,550.00**
Accumulated Depreciation		
As at 01..01.15	2,447,735.00	2,447,735.00
Additions	470,315.19	470,315.19
Translation adjustment	70,649.81	70,649.81
As at 31.12.16	**2,988,700.00**	**2,988,700.00**
Carrying Amount		
As at 01..01.15	**396,930.00**	**396,930.00**
As at 31.12.16	**135,850.00**	**135,850.00**

NOTE 11 - 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 2016 is 20% for the Company.

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2016 is 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.

(Amounts expressed in Indian rupees)

NOTE 11 - TAXATION ON INCOME (continued)

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 branchesof 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.

Current Income Taxes

Current Income Taxes		
Particulars	**31-Dec-16**	**31-Dec-15**
Corporation and income taxes	**13,706,328.46**	**19,191,890.00**
Less: Prepaid taxes	**1,545,321.35**	-
Income tax payable, net	**12,161,007.12**	**19,191,890.00**

Reconciliation of tax expense for the year ended 31 December 2016 and 2015 is as follows:

Particulars	**31-Dec-16**	**31-Dec-15**
Proft/(Loss) before tax	**50,054,974.04**	**43,903,855.38**
Tax at the enacted tax rate of 20%	**(10,010,994.81)**	**(8,793,608.46)**
Tax effect of non-deducatable expenses	**67,187.88**	**706,056.15**
Currency translation differences and other	**(5,845,345.96)**	**(4,493,084.62)**
Taxation on Income	**(15,789,152.88)**	**(12,580,636.92)**

The taxation on income for the years ended 31 December 2016 and 2015 is as follow:

Particulars	**31-Dec-16**	**31-Dec-15**
Current tax expense	(13,773,516.35)	(19,191,890.00)
Deffered tax income/(expense)	(2,015,636.54)	6,611,253.08
Income tax expenses	**(15,789,152.88)**	**(12,580,636.92)**

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for INDAS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for INDAS and tax purposes and they are given below. For calculation of deferred tax asset and liabilities, the rate of 20% is used.

The breakdown of cumulative temporary differences and the resulting deferred tax assets/ (liabilities) provided at 31 December 2016 and 2015 using the enacted tax rates is as follow:

Particulars	31-Dec-16	31-Dec-15
Accrued Expenses	671,878.85	1,091,177.69
Employee termination benefits and unpaid vacation allowance	604,690.96	320,934.62
Inventories	(12,161,007.12)	(6,354,505.38)
Property, plant and equipment and Intangible assets	(201,563.65)	(320,934.62)
Other	5,710,970.19	2,053,981.54
Deferred income tax asstes / (liabilities)	**(5,375,030.77)**	**(3,209,346.15)**

NOTE 12 - BANK BORROWINGS

i) Bank borrowings

The analysis of bank borrowings at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
Borrowings in turkish lira	188,288,100.00	163,204,385.00
Borrowings in usd	291,058,625.00	283,474,175.00
Total	**479,346,725.00**	**446,678,560.00**

Total interest accrual related with the Company's short-term bank borrowings as at 31 December 2016 is INR 271,700 (31 December 2015: INR 5,292,400).

ii) Financial investments

Financial Investments		
	31-Dec-16	
Particulars	**Assets**	**Liabilities**
Derivative financial istruments	543,400.00	-
Total	**543,400.00**	-
	31-Dec-15	
Particulars	**Assets**	**Liabilities**
Derivative financial istruments	-	1,455,410.00
Total	-	**1,455,410.00**

Derivative financial assets consist of forward purchase contracts (Note 20).

NOTE 13 – TRADE PAYABLES

The analysis of accounts payables at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
(a) Trade Payables	342,138,225.00	275,932,505.00
(b) Other Payables	815,100.00	2,249,270.00
Total Trade Payables	**342,953,325.00**	**278,181,775.00**

(Amounts expressed in Indian rupees)

NOTE 14 - OTHER CURRENT AND NON-CURRENT LIABILITIES

The analysis of other current liabilities at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
(a) Creditors for other liabilities	3,396,250.00	12,834,070.00
(b) Statutory liabilities	3,667,950.00	595,395.00
(c) Advances/Deposit received from customers	1,833,975.00	3,506,215.00
(d) Other Liabilities	14,671,800.00	23,286,560.00
Total	**23,569,975.00**	**40,222,240.00**

The analysis of other non-current liabilities at 31 December 2016 and 2015 is as follows:

Particulars	31-Dec-16	31-Dec-15
Unpaid Vacation allowance	1,630,200.00	1,389,255.00

(*) The Company has advance collections from customers amounting to INR 1,833,975as at 31 December 2016 (31 December 2015: INR 3,600,025).

NOTE 15 – PROVISION FOR EMPLOYEE TERMINATION BENEFITS

Under Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, is called up for military service, dies or achieves the retirement age (58 for women and 60 for men).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. INDAS 19 Employee Benefits stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2016, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 4% real discount rate (31 December 2015: 4%) calculated by using 8% annual inflation rate and 12% discount rate. Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration as 2,78 % for employees with 0-15 years of service, and 0% for those with 16 or more years of service.

The movements in the provision for employee termination benefits for the period ended 31 December 2016 and 2015 are follows:

(Amounts expressed in Indian rupees)

NOTE 15 – PROVISION FOR EMPLOYEE TERMINATION BENEFITS (continued)

PROVISION FOR EMPLOYEE TERMINATION BENEFITS		
Particulars	**31-Dec-16**	**31-Dec-15**
Balance at January 1, 2016	**463,085.00**	**-**
Add: Accruals in the year	**1,276,569.81**	**1,091,177.69**
Less: Payments in the year	**335,939.42**	**641,869.23**
Currency translation adjustment	**22,709.62**	**13,776.54**
Balance at December 31, 2016	**1,426,425.00**	**463,085.00**

NOTE 16 - SHARE CAPITAL

At 31 December 2016 and 2015 the Company's share capital and shareholding structure in terms of Turkish Lira is as follows:

Particulars	**Share capital**
Balance as per perious balance sheet	16,141,820.00
Profit for the year	
Other comprehensive income	
Foreign currency adustment	431,880.00
Additions during the year	
Balance as at December 31, 2016	16,573,700.00

NOTE 17 - NET SALES AND COST OF SALES

The analysis of sales for the years ended 31 December 2016 and 2015 is as follows:

Revenue		
Particulars	**31-Dec-16**	**31-Dec-15**
Sales	-	-
Service Income	1,130,301,782.88	928,078,720.77
Total	**1,130,301,782.88**	**928,078,720.77**
Other income		
Particulars	**31-Dec-16**	**31-Dec-15**
other income		
Interest Income bank deposits	201,563.65	192,560.77
Total	**201,563.65**	**192,560.77**

(Amounts expressed in Indian rupees)

NOTE 18 - OPERATING EXPENSES

The analysis of operating expenses for the years ended 31 December 2016 and 2015 is as follows:

Employee Benefits expense		
Particulars	**31-Dec-16**	**31-Dec-15**
Salaries and Bonus	50,054,974.04	43,261,986.15
Total	**50,054,974.04**	**43,261,986.15**

Particulars	**31-Dec-16**	**31-Dec-15**
Rent	3,225,018.46	3,337,720.00
Sales promotion expense	1,142,194.04	641,869.23
Travel	1,007,818.27	3,787,028.46
Professional Charges	1,746,817.81	1,989,537.87
Provision for Doubtful receivables	2,553,139.62	834,430.00
Miscellaneous Expenses	26,875,221.03	26,573,642.90
Total	**36,550,209.23**	**37,164,228.46**

NOTE 19 - FINANCIAL INCOME AND EXPENSES, NET

The analysis of financial income and expenses for the years ended 31 December 2016 and 2015 is as follows:

Finance Cost		
Particulars	**31-Dec-16**	**31-Dec-15**
Interest Expenses	28,823,602.50	27,985,498.46
Other Borrowing costs	42,597,118.85	25,931,516.92
Total	**71,420,721.35**	**53,917,015.38**

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 31 December 2016 and 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.

(Amounts expressed in Indian rupees)

NOTE 20 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

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 (Note 5) as another mean of securing its receivables.

Particulars	Receivables				
	Trade receivables		Other receivables		
31st December 2016	**Related party**	**Other party**	**Related party**	**Other party**	**Bank deposits**
The maximum amount of exposure to credit risk at the end of the reporting period	1,290,575.00	361,021,375.00	-	-	7,335.90
Total receivables that have been secured with collaterals,other credit enhancements etc	-	115,132,875.00	-	-	-
Financial assets that are neither past due nor impaired	-	356,877,950.00	-	-	7,335.90
The amount of financial assets that are past due as at the end of the reporting period but not impaired	-	-	-	-	-
Total amounts that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-
The amount of financial assets that are impaired	-	-	-	-	-
Past due (Gross book value)	-	5,434,000.00	-	-	-
The amount of impairment	-	(5,434,000.00)	-	-	-
The amount that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-

(Amounts expressed in Indian rupees)

NOTE 20 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

ii) Credit risk (continued)

Particulars	Receivables				
	Trade receivables		Other receivables		
31st December 2015	**Related party**	**Other party**	**Related party**	**Other party**	**Bank deposits**
The maximum amount of exposure to credit risk at the end of the reporting period	330,775.00	284,069,570.00	-	-	35,988,320.00
Total receivables that have been secured with collaterals,other credit enhancements etc	-	110,081,920.00	-	-	-
Financial assets that are neither past due nor impaired	-	273,749,390.00	-	-	35,988,320.00
The amount of financial assets that are past due as at the end of the reporting period but not impaired	-	7,277,050.00	-	-	-
Total amounts that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-
The amount of financial assets that are impaired	-	4,564,695.00	-	-	-
Past due (Gross book value)	-	3,373,905.00	-	-	-
The amount of impairment	-	(3,373,905.00)	-	-	-
The amount that have been secured with collaterals,other credit enhancements etc	-	-	-	-	-

iii) Foreign currency risk

As disclosed in Note 2, 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 Company defines 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.

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.

NOTE 20 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

iii) Foreign currency risk (continued)

US dollar equivalent of assets and liabilities denominated in foreign currency held by the Company at 31 December 2016 and 2015 is as follows:

Particulars	**31-Dec-16**	**31-Dec-15**
Assets	369,104,450.00	323,299,485.00
Liabilities	(240,182,800.00)	(233,857,925.00)
Derivatives	(69,147,650.00)	(91,889,295.00)
Net foreign currency position	**59,774,000.00**	**(2,447,735.00)**

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. US Dollar equivalent of assets and liabilities denominated in Turkish Lira held by the Company at 31 December 2016 and 2015 is as follows:

(Amounts expressed in Indian rupees)

NOTE 20 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

iii) Foreign currency risk (continued)

Foreign currency risk		
Particulars	**31-Dec-16**	**31-Dec-15**
1. Trade receivables	357,828,900.00	274,477,095.00
2. a. Monetary financial assets	7,879,300.00	6,086,260.00
2. b. Non-monetary financial assets	-	-
3. Other	3,396,250.00	42,736,130.00
4. current assets	**369,104,450.00**	**323,299,485.00**
5. Trade receivables	-	-
6. a. Monetary financial assets	-	-
6. b. Non-Monetary financial assets	-	-
7. Other	-	-
8. Non-current assets	-	-
9. Total Assets	**369,104,450.00**	**323,299,485.00**
10. Trade payables	34,098,350.00	49,285,475.00
11. Financial liabilities	187,744,700.00	162,542,835.00
12. Other liabilities	18,339,750.00	22,029,615.00
13. Current liabilities	**240,182,800.00**	**233,857,925.00**
14. Trade payables	-	-
15. Financial liabilities	-	-
16. a. Other monetary financial liabilities	-	-
16. b. Other non-monetary financial liabilities	-	-
17. Non-current liabilities	-	-
18. Total liabilities	**240,182,800.00**	**233,857,925.00**
19. Net asset/liability position of off-balance sheet items (19a&19b)	-69,147,650.00	-91,889,295.00
19.a. Total asset amount of hedging items	-	-
19.b. Total liability amount of hedging items	69,147,650.00	91,889,295.00
20. Net foreign currency position	59,774,000.00	-2,447,735.00
21. Monetary items net foreign currency position	125,525,400.00	46,705,430.00
22. Fair value of financial instruments used in foreign currency hedging	543,400.00	-1,455,410.00
23. Hedged foreign currency assets	-	-
24. Hedged foreign currency liabilities	-	-

NOTE 20 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

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.

(Amounts expressed in Indian rupees)

NOTE 20 - FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

iv) Liquidity risk (continued)

The liquidity risk of the Company as of 31 December 2016 and 2015 is as follows:

Particulars	**Amount in ₹**			
31st December 2016	**Carrying value**	**Cashflows according to agreements (I+II)**	**Less than 3 months (I)**	**Between 3-12 months (II)**
Non derivative financial liabilities				
Financial liabilities	479,346,725.00	480,841,075.00	480,841,075.00	-
Trade payables	342,953,325.00	342,953,325.00	342,953,325.00	-
Total	**822,300,050.00**	**823,794,400.00**	**823,794,400.00**	-

Particulars	**Amount in ₹**			
31st December 2015	**Carrying value**	**Cashflows according to agreements (I+II)**	**Less than 3 months (I)**	**Between 3-12 months (II)**
Non derivative financial liabilities				
Financial liabilities	496,824,050.00	503,638,015.00	163,799,780.00	339,838,235.00
Trade payables	278,181,775.00	278,181,775.00	278,181,775.00	278,181,775.00
Total	**775,005,825.00**	**781,819,790.00**	**441,981,555.00**	**618,020,010.00**

Particulars	**Amount in ₹**			
31st December 2016	**Carrying value**	**Cashflows according to agreements (I+II)**	**Less than 3 months (I)**	**Between 3-12 months (II)**
Derivative financial liabilities				
Cash inflows	543,400.00	86,264,750.00	86,264,750.00	-
Cash outflows	-	(86,332,675.00)	(86,332,675.00)	-
Total	**543,400.00**	**(67,925.00)**	**(67,925.00)**	-

Particulars	**Amount in ₹**			
31st December 2015	**Carrying value**	**Cashflows according to agreements (I+II)**	**Less than 3 months (I)**	**Between 3-12 months (II)**
Derivative financial liabilities				
Cash inflows	(1,455,410.00)	89,309,250.00	62,847,250.00	26,462,000.00
Cash outflows	-	(91,889,295.00)	(64,236,505.00)	(27,652,790.00)
Total	**(1,455,410.00)**	**(2,580,045.00)**	**(1,389,255.00)**	**(1,190,790.00)**

NOTE 20 - FINANCIAL RISK MANAGEMENT (continued)

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 21 – FINANCIAL INSTRUMENTS

Categories of financial instruments and fair values

Categories of financial instruments and fair values						
	Amount in ₹					
Particulars	Loans and receivables	Financial assets/liabilities at fair value through profit/loss	Financial liabilities at amortized cost	Carrying value	Fair value	Note
31st December 2016						
Financial assets						
Cash and Cash equivalents	8,558,550.00	-	-	8,558,550.00	8,558,550.00	4
Trade Receivables	362,311,950.00	-	-	362,311,950.00	362,311,950.00	5
Derivative financial instruments	-	543,400.00	-	543,400.00	543,400.00	8
Financial liabilities						
Bank Borrowings	-	-	479,346,725.00	479,346,725.00	479,346,725.00	12
Trade payables	-	-	342,953,325.00	342,953,325.00	342,953,325.00	13
31st December 2015						
Financial assets						
Cash and Cash equivalents	37,509,885.00	-		37,509,885.00	37,509,885.00	4
Trade Receivables	284,400,345.00			284,400,345.00	284,400,345.00	5
Derivative financial instruments	-	-	-	-	-	8
Financial liabilities						
Bank Borrowings			496,824,050.00	496,824,050.00	496,824,050.00	12
Trade payables			278,181,775.00	278,181,775.00	278,181,775.00	13
Derivative financial instruments	-	22,000.00	-	-	-	14

NOTE 21 – FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments and fair values (continued)

<u>Fair value of financial instruments</u>

The fair values of financial assets and financial liabilities are determined and grouped as follows:

• Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

• Level 2: the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

• Level 3: the fair value of the financial assets and financial liabilities where there is no observable market data. The fair value of derivative instruments, are calculated using quoted prices. Where such prices are not available, estimate is made based on discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

NOTE 22 – SUBSEQUENT EVENTS

None.

All figures are stated in Indian rupees unless otherwise stated

CDW International Trading FZE
Dubai Airport Free Zone
Dubai - United Arab Emirates

Report and financial statements
for the year ended 31 March 2017

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INDEPENDENT AUDITOR'S REPORT

The Shareholder
CDW International Trading FZE
Dubai Airport Free Zone
Dubai
United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **CDW International Trading FZE, Dubai Airport Free Zone, Dubai, United Arab Emirates** (the "Establishment"), which comprise the statement of financial position as at 31 March 2017, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Establishment as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IND AS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Establishment's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

Cont'd…

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Establishment to cease to continue as a going concern.

. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, we report that the financial statements of the Establishment comply, in all material respects, with the applicable provisions of the Dubai Airport Free Zone Law No. 25 of 2009.

Deloitte & Touche (M.E.)

Cynthia Corby
Registration No. 995
…………….. 2017
Dubai, United Arab Emirates

Statement of financial position
as at 31 March 2017(In Indian Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Assets			
Non-Current Assets			
Property Plant and Equipment	9	92,247	-
Total Non Current Assets		**92,247**	**-**
Current Assets			
Inventories	6	-	324,03,954
Financial assets			
(i) Trade receivables	7	1756,25,743	61,68,554
(ii) Cash and bank balances	8	41,63,190	28,46,336
Other Current Assets	7a	12,19,431	8,45,183
Total Current assets		**1810,08,364**	**422,64,027**
Total Assets		**1811,00,612**	**422,64,027**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		17,655	18,038
Other Equity			
Other reserves		(6,05,454)	(316,85,859)
Retained earnings		(40,66,553)	(4,14,451)
Equity attributable to the owners of the Company		**(46,54,352)**	**(320,82,273)**
Non-Controlling interests		-	-
Total Equity		**(46,54,352)**	**(320,82,273)**
Non-Current Liabilities			
Provisions	10	9,47,844	-
Total Non-current Liabilities		**9,47,844**	**-**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	5	1848,07,120	743,46,300
Total Current Liabilities		**1848,07,120**	**743,46,300**
Total Equity and Liabilities		**1811,00,612**	**422,64,027**

....
Director

The accompanying notes form an integral part of these financial statements.

In Indian Rupees

Particulars	Note No.	Period ended March 31,2017	Period ended March 31,2016
Comprehensive Income:			
(a).Revenue from operations		11598,97,611	491,38,655
(b)Other gain / (losses)		-	45,170
(c) Total Revenue(a+b)		**11598,97,611**	**491,83,826**
(d) Expenses			
Purchase of traded goods		10813,68,560	(8058,08,234)
Changes in inventories		324,03,954	8834,11,644
Employee Benefits	11	117,46,967	1,59,387
Depreciation & Amortisation	9	15,040	-
Other Expenses	12	67,43,784	31,06,888
Total Expenses(d)		**11322,78,305**	**808,69,685**
Profit before Corporate social responsibility expenditure and Tax		276,19,306	(316,85,859)
Profit before exceptional items and tax		276,19,306	(316,85,859)
e.Profit before tax (c-d)		**276,19,306**	**(316,85,859)**
h.Profit for the Year (e-f-g)		**276,19,306**	**(316,85,859)**
Total Comprehensive Income for the Year attributable to (h+k)		276,19,306	(316,85,859)
Profit for the year attributable to the :-			
Shareholders of the Company		276,19,306	(316,85,859)
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		276,19,306	(316,85,859)

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
for the year ended 31 March 2017(In Indian Rupees)

Particulars	Share capital	Retained earnings	Foreign currency transalati	Total Equity
As at April 2016	18,038	(316,85,859)	(4,14,451)	(320,82,273)
Profit for the year		276,19,306		276,19,306
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	(1,91,385)	(1,91,385)
Deduction				-
Balance as at March 31, 2017	17,655	(40,66,553)	(6,05,837)	(46,54,352)

The accompanying notes form an integral part of these financial statements.

(In Indian Rupees)

Particulars	31-Mar-17	31-Mar-16
Profit before income tax	276,19,306	(316,85,859)
Adjustments for		
Provision for employees' end-of-service indemnity	3,97,422	-
Depreciation of property and equipment (Note 11)	15,040	-
Change in Working capital		
Increase in trade and other receivables	(1755,19,901)	(69,23,182)
Decrease in due to related parties	1148,81,777	733,11,626
Decrease/(increase) in inventories	327,50,467	(319,85,582)
Increase in trade and other payables		
Cash Generated from Operations	**1,44,111**	**27,17,002**
Net Cash generated from operating activities	1,44,111	27,17,002
Cash flow from investing activity		
Purchase of property and equipment	(1,10,294)	-
Net cash in investing activity	(1,10,294)	-
Cash flow from financing activity		
Proceeds from issuance of share capital	-	17,805
Net cashflow from financing activity	-	**17,805**
Net increase in cash and cash equivalents	33,817	27,34,807
Cash and Cash equivalents at the beginning of the year	28,46,336	-
Currency transalation asjustment	12,83,037	1,11,529
Cash and Cash equivalents at the end of the year	**41,63,190**	**28,46,336**

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 March 2017

1. Company and operations

CDW International Trading FZE (the "Establishment"), is registered in Dubai Airport Free Zone as a Free Zone Establishment with limited liability.

CDW International Trading FZE is a wholly owned subsidiary of Cadensworth FZE, Dubai, United Arab Emirates (U.A.E.) (the "Parent Company"). The ultimate controlling party is Redington (India) Limited, India.

The Establishment's registered activity is trading 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 371554, Dubai Airport Free Zone, Dubai, U.A.E..

The prior period amounts are not comparable to the current year's amounts since the prior period financial statements are for 9-month period end 31 March 2016, whereas the current year figures are for the year ended 31 March 2017.

2. Application of new and revised International Financial Reporting Standards (IND AS)

2.1 New and revised IND AS applied with no material effect on the financial statements

The following new and revised IND AS, which became effective for annual periods beginning on or after 1 April 2016, have been adopted in these financial statements. The application of these new and revised IND AS 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.

- IND AS 114 *Regulatory Deferral Accounts*
- Amendments to IND AS 1 *Presentation of Financial Statements* relating to Disclosure initiative
- Amendments to IND AS 111 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation
- Amendments to IND AS 16 *Property, Plant and Equipment* and IND AS 41 *Agriculture*: Bearer Plants
- Amendments to IND AS 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
- Amendments to IND AS 110 *Consolidated Financial Statements*, IND AS 112 *Disclosure of Interests in Other Entities* and IND AS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities
- Annual Improvements to IND ASs 2012 - 2014 Cycle covering amendments to IND AS 105, IND AS 107, IND AS 19 and IND AS 34

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective

The Establishment has not yet applied the following new and revised IND AS that have been issued but are not yet effective:

New and revised IND AS	***Effective for annual periods beginning on or after***
Annual Improvements to IND AS Standards 2014 - 2016 Cycle amending IND AS 101, IND AS 112 and IND AS 28.	The amendments to IND AS 101and IND AS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IND AS 112 for annual periods beginning on or after 1 January 2017
Amendments to IND AS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealised losses.	1 January 2017
Amendments to IND AS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	1 January 2017
Amendments to IND AS 102 *Share Based Payment* regarding classification and measurement of share based payment transactions.	1 January 2018
Amendments to IND AS 104 *Insurance Contracts*: Relating to the different effective dates of IND AS 109 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IND AS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	1 January 2018

Notes to the financial statements
for the year ended 31 March 2017 (continued)

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
Amendments to IND AS 107 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IND AS 109.	When IND AS 109 is first applied
IND AS 107 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IND AS 109.	When IND AS 109 is first applied
IND AS 109 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014)	1 January 2018

IND AS 109 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IND AS 109 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 IND AS 109 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.

A finalised version of IND AS 109 which contains accounting requirements for financial instruments, replacing IND AS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- ***Classification and measurement:*** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IND AS 109 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IND AS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- ***Impairment:*** The 2014 version of IND AS 109 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised
- ***Hedge accounting:*** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- ***Derecognition:*** The requirements for the derecognition of financial assets and liabilities are carried forward from IND AS 39.

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
IND AS 115 *Revenue from Contracts with Customers*	1 January 2018

In May 2014, IND AS 115 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 *Revenue*, IND AS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IND AS 115 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 IND AS 115, 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 IND AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 115.

Amendments to IND AS 115 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018
IND AS 116 *Leases*	1 January 2019

IND AS 116 specifies how an IND AS 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 IND AS 116's approach to lessor accounting substantially unchanged from its predecessor, IND AS 17.

2. Application of new and revised International Financial Reporting Standards (IND AS) (continued)

2.2 New and revised IND AS in issue but not yet effective (continued)

New and revised IND AS	***Effective for annual periods beginning on or after***
Amendments to IND AS 110 *Consolidated Financial Statements* and IND AS 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 Establishment's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Establishment in the period of initial application.

3. Significant accounting policies

Statement of compliance

The financial statements are prepared in accordance with IND AS.

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 U.A.E. Federal Law No. (2) of 2015 ("Companies Law") has come into force on 1 July 2015. The Establishment has 24 months from the effective date of the Companies Law to comply with its provisions (the "transitional provision") and the Establishment has availed the transitional provision.

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. Cost is calculated using weighted average cost method. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

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.

3. **Significant accounting policies (continued)**

Revenue (continued)

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.

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.

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 INR, 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.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

3. **Significant accounting policies (continued)**

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.

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 and other advances), cash and cash equivalents and amounts due from related parties are measured at amortised cost using the effective interest method, less any impairment.

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

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 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.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets (continued)

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 of the Establishment’s financial liabilities are classified as 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.

4. Critical accounting judgement and key sources of estimation uncertainty

Critical accounting judgement in applying the Establishment's accounting policies

The following are the critical judgement (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 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 IND AS 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 source of estimation uncertainty

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 inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

Presentation currency:

All are in Indian rupees unless otherwise stated.

5. Related party transactions

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

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

Due to related parties

Particulars	31-Mar-17	31-Mar-16
Entities under common control	1833,88,505	18,21,788
Parent Company	-	724,48,755
Total	-	**724,48,755**

The following is a summary of transactions with related parties, which are included in the financial statements:

Paticular	31-Mar-17	31-Mar-16
Purchases from entities under common control	5540,58,068	1295,61,658
Transfer of employees' end-of-service indemnity (Note 10)	5,81,312	-

Compensation of key management personnel

The remuneration of key management personnel are paid by the Parent Company and are not recharged to the Establishment.

Notes to the financial statements
for the year ended 31 March 2017 (continued)

6. Inventories

Particulars	31-Mar-17	31-Mar-16
Trading Stocks	-	324,03,954
Total	**-**	**324,03,954**

7. Trade and other receivables

Particulars	31-Mar-17	31-Mar-16
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	1756,25,743	61,68,554
Total Trade and other receivable	**1756,25,743**	**61,68,554**

7a. Other Current Assets

Particulars	31-Mar-17	31-Mar-16
Prepayments	12,19,431	7,18,470
Others	-	1,26,713
Total	**12,19,431**	**8,45,183**

The average credit period is 32 days. No interest is charged on any 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.

There are no past due trade receivables as at the reporting date/period and accordingly, management believes that no allowance for doubtful debts is required.

The entire trade receivables balance is from one customer.

In determining the recoverability of a trade receivable, the Establishment considers changes in the credit quality of the trade receivable from the date the 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.

8. Cash and cash equivalents

Cash and Cash Equivalents		
Particulars	**31-Mar-17**	**31-Mar-16**
(a) Cash on hand	55,896	15,41,918
(b) Balances with banks		
(i) In current accounts	41,07,295	13,04,418
Total	**41,63,190**	**28,46,336**

9. **Property Plant and Equipment**

Description	Plant and Equipment	Total
Cost		
As at 01.04.16	-	-
Additions	1,10,294	1,10,294
Assets of Subsidiaries acquired	-	-
Disposal	-	-
Translation adjustments	(3,481)	(3,481)
As at 31.03.17	**1,06,813**	**1,06,813**
Accumulated Depreciations		
As at 01.04.16	-	-
Additions	15,040	15,040
Assets of subsidiaries acquired	-	-
Disposals	-	-
Disposal of Assets of EA		-
Translation adjustments	(475)	(475)
As at 31.03.17	**14,565**	**14,565**
Carrying Amount		
As at 01.04.16	**-**	**-**
As at 31.03.17	**92,247**	**92,247**

10. **Provision for employees' end-of-service indemnity**

Particulars	31-Mar-17	31-Mar-16
Balance at April 1, 2016	-	-
Charge for this year	3,98,881	-
Less: Payments in the year	-	-
Transferred from Parent Company	5,81,312	
Currency translation adjustment	(30,937)	-
Balance at March 31, 2017	**9,49,256**	-

11. **Employee benefit Expenses**

Particulars	31-Mar-17	31-Mar-16
Salaries	117,46,967	1,59,387
Total	**117,46,967**	**1,59,387**

Notes to the financial statements
for the year ended 31 March 2017 (continued)

12. Other Expenses

Particulars	31-Mar-17	31-Mar-16
Rent	27,81,738	20,15,091
Freight	19,76,320	-
Repairs and Maintenance	14,949	82,970
Sales Promotion Expenses	-	1,12,169
Professional Charges	10,04,950	3,60,365
Bank Charges	93,157	3,686
Miscellaneous Expenses	8,72,670	5,32,607
Total	**67,43,784**	**31,06,888**

13. 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***

Particular	31-Mar-17	31-Mar-16
Financial Assets		
Loans and receivables (including cash and cash equivalents)	1797,88,933	90,14,890
Financial liabilities		
At amortized cost	1848,07,120	743,46,300

(c) ***Fair values***

The fair values of financial assets and liabilities approximate the carrying values as at 31 March 2017 and 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.

14. 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.

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 from the previous period.

(a) Foreign currency risk management
The Establishment is not exposed to foreign currency rate risk as it has no assets or liabilities denominated in foreign currencies other than AED or U.S. Dollars to which the Dirham is fixed.

(b) Interest rate risk management
The Establishment is not exposed to interest rate risk as it has no variable interest rate financial instruments.

14. Financial risk management (continued)

(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.

(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.

Particulars	**Less than 1 year**	**Total**
2017		
Non-interest bearing instruments	184,807,119.92	184,807,119.92
2016		
Non-interest bearing instruments	74,346,300.11	74,346,300.11

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:

Particulars	**Less than 1 year**	**Total**
2017		
Non-interest bearing instruments	179,788,933.34	179,788,933.34
2016		
Non-interest bearing instruments	9,014,889.98	9,014,889.98

Notes to the financial statements
for the year ended 31 March 2017 (continued)

15. 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 period.

Having considered the structure and magnitude of the Establishment, the Parent Company has decided that the capital structure be limited to equity comprising issued share capital and accumulated losses and to have a zero leverage of debt financing.

16. Going concern

The financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business.

As at 31 March 2017, the Establishment has a deficit (i.e., an excess of liabilities over assets) of INR 46,54,352 (2016: INR 320,82,273).

The financial statements are prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Establishment be unable to continue as a going concern as the Parent Company of the Establishment committed to provide such financial support as may be required to enable the Establishment to meet its debts and obligations.

17. Reclassifications

In accordance with requirements of IND AS 1 *Presentation of Financial Statements* and IND AS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, certain items have been corrected retrospectively and accordingly balances in the statement of comprehensive income for the prior period ended 31 March 2016, as previously reported have been reclassified as follows:

Particulars	As previously reported	Reclassification	As reclassified
General and administrative expenses	33,08,997	-20,41,448	12,67,549
Selling and distribution expenses	-	20,41,448	20,41,448

18. Approval of financial statements

The financial statements for the year ended 31 March 2017 were approved and signed by the Director on ……… 2017.

19. General

Figures shown in the accounts have been rounded off to the nearest Indian Rupees

RNDC ALLIANCE WEST AFRICA LIMITED

FINANCIAL STATEMENTS
FOR THE 14 MONTHS PERIOD ENDED 31 MARCH 2017

Statement of Directors' Responsibilities
For the preparation and approval of the Financial Statements

The Directors of **RNDC Alliance West Africa Limited** are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 March 2017, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IND AS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act,

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IND ASs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IND AS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IND AS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

Going Concern:

The Directors have assesed RNDC Alliance West Africa Limited ability to continue as a Going Concern and have no reason to believe that the Company will not remain a going concern in the year ahead also there is comfort through the confirmation from parent company Redington Gulf FZE. in wirting that they will continue to give support to RNDC Alliance West Africa Limited

The financial statements of the Company for the Period ended 31 March 2017 were approved by directors on ……………………..2017

On behalf of the Directors of the Company

Ramkumar Balakrishnan	**Sriram Ganeshan**

REPORT OF INDEPENDENT AUDITORS
TO THE MEMBERS OF RNDC ALLIANCE WEST AFRICA LIMITED

We have audited the accompanying financial statements of RNDC Alliance West Africa Limited, set out on pages 2 to 36 which comprise the statement of financial position as at 31 March 2017; the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of value added for the years then ended 31 March 2017 and a summary of significant accounting 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, the Financial Reporting Council of Nigeria Act No. 6, 2011, 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 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 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 RNDC Alliance West Africa Limited as at 31st March 2017, and of its financial performance and cash flows for the years ended 31st March 2017 in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004, the Financial Reporting Council of Nigeria Act No. 6, 2011, and the International Financial Reporting Standards.

OFO JOSEPH ONOTHOME FCA
FRC/2013/ICAN/00000006021
Chartered Accountants
Lagos, Nigeria
May-2017

STATEMENT OF FINANCIAL POSITION
AS ON 31ST MARCH 2017(In Indian Rupees)

Particulars	Note No.	As at March 31, 2017
Assets		
Non-Current Assets		
Property Plant and Equipment	10	-
Total Non Current Assets		**-**
Current Assets		
Inventories	12	1,21,939
Financial assets		
(i) Trade receivables	13	539,33,327
(ii) Cash and bank balances	15	937,02,654
Other Current Assets	14	264,49,375
Total Current assets		**1742,07,295**
Total Assets		**1742,07,295**
Equity and liabilities		
Equity		
Shareholders' funds(Refer SOCE)		
Equity Share Capital		21,17,000
Other Equity		
Other reserves		1,70,750
Retained earnings		(41,83,735)
Equity attributable to the owners of the Company		**(18,95,985)**
Non-Controlling interests		-
Total Equity		**(18,95,985)**
Current Liabilities		
Financial Liabilities		
(i) Trade and other payables	16	597,93,818
Other Current Liablities	17	1163,09,462
Total Current Liabilities		**1761,03,280**
Total Equity and Liabilities		**1742,07,295**

The financial statements were approved by the board of directors and authorised for issue on ……………….2017.
They were signed on its behalf by:

RAMKUMAR BALARKRISHNAN

Directors

SRIRAM GANESHAN

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME(In Indian Rupees)

Particulars	Note No.	Period ended March 31,2017
Comprehensive Income:		
(a).Revenue from operations	5	6910,62,049
(b)Other gain / (losses)	6	7,063
(c) Total Revenue(a+b)		**6910,69,111**
(d) Expenses		
Purchase of traded goods		4561,92,535
Changes in inventories		(1,21,939)
Employee Benefits	7	67,89,410
Finance Costs	7a	3,31,944
Depreciation & Amortisation		20,51,257
Other Expenses	8	2300,09,639
Total Expenses(d)		**6952,52,846**
Profit before Corporate social responsibility expenditure and Tax		(41,83,735)
Profit before exceptional items and tax		(41,83,735)
e.Profit before tax (c-d)		**(41,83,735)**
h.Profit for the Year (e-f-g)		**(41,83,735)**
Total Comprehensive Income for the Year attributable to (h+k)		(41,83,735)
Profit for the year attributable to the :-		
Shareholders of the Company		(41,83,735)
Total Comprehensive Income for the year attributable to the :-		
Shareholders of the Company		(41,83,735)

STATEMENT OF CHANGES IN EQUITY(In Indian Rupees)

Particulars	Share capital	Retained earnings	Foreign currency transalati	Total Equity
As at April 2016	-	-	-	-
Profit for the year		(41,83,735)		(41,83,735)
Dividend paid		-		-
Other comprehensive income				-
Foreign currency adustment				-
Additions during the year		-	22,87,750	22,87,750
Deduction				-
Balance as at March 31, 2017	21,17,000	(41,83,735)	22,87,750	(18,95,985)

Cash Flow Statement (In Indian Rupees)

Particulars	31-Mar-17
Profit before income tax	(41,83,735)
Adjustments for	
Share Capital	22,07,077
Depreciation of property, plant and equipment	20,51,257
Transfer of PPE	53,55,693
Change in Working capital	
(Increase)/Decrease in inventories	(1,27,128)
(Increase)/decrease in trade and other receivables	(562,28,242)
Decrease in other assets	(275,74,425)
(Decrease) in trade and other payables	1835,96,268
Cash Generated from Operations	**1050,96,765**
Income tax paid	-
Net Cash generated from operating activities	1050,96,765
Cash flow from investing activity	
Purchase of property and equipment	74,07,171
Net cash in investing activity	74,07,171
Net increase in cash and cash equivalents	1125,03,936
Cash and Cash equivalents at the beginning of the year	-
Currency transalation asjustment	(188,01,282)
Cash and Cash equivalents at the end of the year	**937,02,654**

NOTES TO THE FINANCIAL STATEMENTS

1. Description of business

RNDC Alliance West Africa Limited was incorporated in Nigeria in November 2015 as a private limited liability company. Redington Gulf Fze, Dubai holds 99% of its 10,000,000 paid-up shares while 1% is held by Cadenzworth Gulf Fze . Redington Gulf Fze, Dubai is the parent company of RNDC Alliance West Africa Limited, while the ultimate controlling party is Redington India Limited.

Registered Address:No1,Block 2, River Patoka Close, Off Nile Street, Maitama, Abuja,Nigeria.

The Company was registered to engage in the business of sales and services of computer systems and mobile telephones. It commenced commercial operations in February 2016.

1.1 Composition of financial statements

The financial statements are drawn up in Naira, the functional currency of RNDC Alliance West Africa Limited in accordance with International Financial Reporting Standards (IND AS) and comprise:

• Statement of profit or loss and other comprehensive income
• Statement of financial position
• Statement of changes in equity
• Statement of cash flows
• Notes to the financial statements.

1.2 Financial period

This is the First Financial Report of the enterprise, it commenced operation in February 2016. The Financial Statements covers the 14th months period ended 31 March 2017.

2. Adoption of new and revised IND AS standards

2.1 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 IND ASs and IFRIC Interpretations listed below. However, the Company has not applied any in the preparation of these financial statements.

The full impact of these IND ASs 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.

NOTES TO THE FINANCIAL STATEMENTS

2.1 Accounting standards and interpretations issued but not yet effective (Cont'd)

Pronouncement	Nature of change
	Financial Instruments 5
IND AS 109	Revenue from Contracts with Customers 4
IND AS 115	Accounting for Acquisitions of Interests in Joint Operations 3
Amendments to IND AS 111	Clarification of Acceptable Methods of Depreciation
Amendments to IND AS 16 and IND AS 38	and Amortisation 3
Amendments to IND AS 16 and IND AS 41	Agriculture: Bearer Plants 3
Amendments to IND AS 19	Defined Benefit Plans: Employee Contributions 1
Amendments to IND ASs	Annual Improvements to IND ASs 2010-2012 Cycle 2
Amendments to IND ASs	Annual Improvements to IND ASs 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.

IND AS 109 Financial Instruments

IND AS 109 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IND AS 109 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 IND AS 109 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 IND AS 109:

all recognised financial assets that are within the scope of IND AS 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 IND AS 109, 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.

NOTES TO THE FINANCIAL STATEMENTS

2.1 Accounting standards and interpretations issued but not yet effective (Cont'd)

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IND AS 109 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 IND AS 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, IND AS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under IND AS 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 IND AS 39. Under IND AS 109, 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 IND AS 109 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 IND AS 109 until the Entity undertakes a detailed review.

IND AS 115 Revenue from Contracts with Customers

In May 2014, IND AS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 Revenue, IND AS 11 Construction Contracts and the related Interpretations when it becomes effective

The core principle of IND AS 115 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:

- 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 IND AS 115, an entity recognises revenue 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 IND AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by IND AS 115.

The directors of the Company do not anticipate that the application of IND AS 115 will have a material impact on the Entity's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

2.1 Accounting standards and interpretations issued but not yet effective (Cont'd)

Amendments to IND AS 111 Accounting for Acquisitions of Interests in Joint Operations

The amendments to IND AS 111 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IND AS 103 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IND AS 103 and other standards (e.g. IND AS 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 IND AS 103 and other standards for business combinations.

The amendments to IND AS 111 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 IND AS 111 will have a material impact on the Entity's financial statements.

Amendments to IND AS 16 and IND AS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IND AS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IND AS 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 of 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 IND AS 16 and IND AS 38 will have a material impact on the Entity's financial statements.

Amendments to IND AS 16 and IND AS 41 Agriculture: Bearer Plants

The amendments to IND AS 16 and IND AS 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 IND AS 16, instead of IND AS 41. The produce growing on bearer plants continues to be accounted for in accordance with IND AS 41.

The directors of the Company do not anticipate that the application of these amendments to IND AS 16 and IND AS 41 will have a material impact on the Entity's financial statements as the Entity is not engaged in agricultural activities

Amendments to IND AS 19 Defined Benefit Plans: Employee Contributions

The amendments to IND AS 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 IND AS 19 will have a significant impact on the Entity's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

2.1 Accounting standards and interpretations issued but not yet effective (Cont'd)

Annual Improvements to IND ASs 2010-2012 Cycle

The Annual Improvements to IND ASs 2010-2012 Cycle include a number of amendments to various IND ASs, which are summarised below.

The amendments to IND AS 102 (i) 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 IND AS 102 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to IND AS 103 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 IND AS 109 or IND AS 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 IND AS 103 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to IND AS 108 (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 IND AS 113 clarify that the issue of IND AS 113 and consequential amendments to IND AS 39 and IND AS 109 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 IND AS 16 and IND AS 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 IND AS 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 IND ASs 2011-2013 Cycle

The Annual Improvements to IND ASs 2011-2013 Cycle include a number of amendments to various IND ASs, which are summarised below.

The amendments to IND AS 103 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.

NOTES TO THE FINANCIAL STATEMENTS

2.1 Accounting standards and interpretations issued but not yet effective (Cont'd)

The amendments to IND AS 113 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, IND AS 39 or IND AS 109, even if those contracts do not meet the definitions of financial assets or financial liabilities within IND AS 32.

The amendments to IND AS 40 clarify that IND AS 40 and IND AS 103 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 IND AS 40; and

(b) the transaction meets the definition of a business combination under IND AS 103.

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. Significant accounting policies

3.1 Statement of Compliance

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

3.2 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 goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between a market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Judgments made by management in the application of IND ASs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4.

The Principal accounting policies are set out below:

3.3 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 represents value of the goods and services rendered to third party; net of discounts and rebates. Discounts and rebates are offset against revenue when it is probable that the criteria for the discount or rebate will be met and the amount can be reliably estimated.

3.3.1 Revenue from 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.

3.3.2 Revenue from 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:

- 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;
- 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
- revenue from time and material contracts is recognized at the contractual rates as labour hours and direct expenses are incurred.

NOTES TO THE FINANCIAL STATEMENTS

3.3 Revenue (Contd)

3.3.3 Interest Income

Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

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.

3.4 Foreign currency translation

The financial statements of Rndc Alliance West Africa Ltd., are presented in Naira, which is the Company's functional currency. In preparing 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.

Monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at each reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Any resulting exchange differences are included in administrative expenses in the income statement, except for differences on available-for-sale non-monetary financial assets, which are included in the available-for-sale reserve in other comprehensive income. Non-monetary items of historic cost, that are denominated in foreign currency, are translated at the date of the original transaction, and are not re-translated.

Exchange differences arising on the settlement of monetary items are included in the income statement for the year.

3.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current taxation

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 items that are never taxable or deductible. The Company'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 taxation

Deferred tax represents taxation at the current rate of corporate income tax on the difference between the net book value of qualifying fixed assets and their corresponding tax written down values; and is calculated using the liability method.

It is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally 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 utilised.

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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

3.6 Employee Benefits

3.6.1 Defined Contribution Plans

The Company operates a defined contribution staff pension scheme for its employees in accordance with the New Pension Reform Act 2014. The employer contribute 10% and employees contribute 8% each of employees' basic salary, housing and transport allowances.

Payments to defined contribution retirement benefit plans by the employer are recognized as an expense in the period in which employees have rendered services entitling them to the contributions.

3.6.2 Retirement benefit costs and termination benefits

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurements comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the teturn on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in th eperiod of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined liability or asset.

Defined benefits costs are categorised as follows:
a) Service cost (including current service cost, past service cost and gains and losses on curtailments and settlements).
b) Net interest expense or income.
c) Remeasurement.

3.6.3 Other employee benefits

Other short and long-term employee benefits, are recognized as an expense over the period in which they accrue.

3.7 Inventories

Inventories include: finished goods (comprising IT and Telecomunication items). They are measured at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for inventories less estimated cost to make the sale.
Inventory values are adjusted for obsolete, slow-moving or damaged items.

Costs incurred in bringing each product to its present location and condition is based on the Weighted Average Method. Costs include suppliers' invoice price and where appropriate, freight and all other costs incurred in bringing each inventory item to its present location.

Goods in transit are recognized as inventories when significant risks and rewards attributable to the goods have been passed to the Company.

3.8 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of self-constructed assets includes the costs of materials and direct labour. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized 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.

Depreciation on other assets is charged to the income statement using the straight-line method so as to write off the cost less their residual values over their estimated useful lives on the following bases:

	Useful Life (years)
Furniture and equipments	5
Motor vehicles	3
Computer equipments	3
Network and warehouse equipment	3

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset 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.

NOTES TO THE FINANCIAL STATEMENTS

3.9 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) 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 provisions 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. 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 (when the effect of the time value of money is material).

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.

3.10 Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate independent cash flows from other assets, 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 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 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 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.

NOTES TO THE FINANCIAL STATEMENTS

3.11 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 are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition, except for transaction costs relating to financial assets or financial liabilities at fair value through profit or loss, which are recognized immediately in profit or loss.

3.11.1 Financial assets

Financial assets are classified into: (a) loans and receivables, (b) held-to-maturity investments (c) Available-for-sale and (d) financial assets at fair value through profit or loss. Financial assets are subsequently measured based on their nature and purpose as determined at initial recognition. The Company does not have financial assets classified as held-to-maturity, available for sale and at fair value through profit or loss.

- **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 and cash and bank balances] are subsequently measured at amortised cost using the effective interest method, less any impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interst Rate (EIR). The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance costs. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash in hand and highly liquid short-term investments that are easily convertible into known amounts of cash and are subject to insignificant risks of changes in value.

- **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.

Loans and receivables

For financial assets carried at amortised cost, the amount of the impairment loss recognized 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. If, in a subsequent period, the amount of the impairment loss decreases as a result of an event occurring after the impairment was recognized, the previously recognized 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

3.11.1 Financial assets (contd)

- **Derecognition of financial assets**

Financial assets are derecognized only when the contractual rights to the cash flows from the asset expire, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. 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 recognizes 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 recognized in other comprehensive income and accumulated in equity is recognized 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 recognize under continuing involvement, and the part it no longer recognizes 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 recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

3.11.2 Financial Liabilities

Financial liabilities are classified as 'other financial liabilities'.

- **Other financial liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and 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 liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

- **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.

NOTES TO THE FINANCIAL STATEMENTS

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, described in note 3, the directors are 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 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.

4.1 Critical judgements in applying accounting policies

The directors have not made any critical judgements in the process of applying the Company's accounting policies that have significant effect on the amounts recognized in the financial statements.

4.2 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.

4.2.1 Estimated useful lives of property, plant and equipment

Management reviews the estimated useful lives of property, plant and equipment at the end of each reporting period and reflects the changes on a propspective basis.

NOTES TO THE FINANCIAL STATEMENTS

5 Revenue

The following is an analysis of the company's revenue for the year from Continuing Operation

Particulars	31-Mar-17
Sales	6910,62,049
Total	**6910,62,049**

6 Other Income

Particulars	31-Mar-17
Interest from dealers	7,063
Total	**7,063**

7 Employee Benefits Expenses

Particulars	31-Mar-17
Salaries	67,89,410
Total	**67,89,410**

7a. Finance Cost

Particulars	31-Mar-17
Interest Expenses	3,31,944
Total	**3,31,944**

8 Other Expenses

Particulars	31-Mar-17
Rent	28,20,424
Repairs and Maintenance	13,98,625
Communication	8,25,005
Travelling Expenses	17,65,882
Professional Charges	2,93,541
Auditor's Remuneration(including remuner	2,20,708
Exchange Loss Net	2162,99,277
Bank Charges	56,57,180
Miscellaneous Expenses	7,28,998
Total	**2300,09,639**

NOTES TO THE FINANCIAL STATEMENTS

9 Taxation

9.1 Income tax recognized in profit or loss

	2017
Current tax	
Current tax expense in respect of the current year:	
Income tax	-
Education tax	-
IT Levy	
	-
Deferred Tax	**-**
Total Tax	**-**

Corporation tax is calculated at 30 per cent of the estimated taxable profit for the year. The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21, LFN, 2004 as amended.

The charge for education tax of 2 per cent of the estimated assessable profit for the year; is based on the provisions of the Education Tax Act, CAP E4, LFN, 2004.

NOTES TO THE FINANCIAL STATEMENTS

10 Property, plant and equipment

Description	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost					
As at 01.02.16					-
Additions	19,799	2,152	210	11,400	33,561
Assets of Subsidiaries acquired	-	-	-	-	-
Disposal	15,069	1,763	186	7,249	24,267
Translation adjustments					-
As at 31.03.17	**4,730**	**389**	**24**	**4,151**	**9,294**
Accumulated Depreciations					
As at 01.02.16					-
Additions	4,730	389	24	4,151	9,294
Assets of subsidiaries acquired					-
Disposals					-
Disposal of Assets of EA					-
Translation adjustments					-
As at 31.03.17	**4,730**	**389**	**24**	**4,151**	**9,294**
Carrying Amount					
As at 01.02.16	**-**	**-**	**-**	**-**	**-**
As at 31.03.17	**-**	**-**	**-**	**-**	**-**

11.1 Impairment losses recognized in the year
There were no impairment losses recognized during the year.

11.2 Contractual commitments
At 31 March 2017, the Company had no contractual commitments for the acquisition of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

12 Inventories

Particulars	31-Mar-17
Trading Stocks	1,21,939
Total	**121939**

12.1 The cost of inventories recognized as an expense during the year in respect of operations was N2,066 M

12.2 There was No write off of inventory during the year ended 31 March 2017.

13 Trade and other receivables

Particulars	31-Mar-17
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment	
Considered good	506,60,445
(c) Receivables from releted parties	32,72,882
Total Trade and other receivable	**539,33,327**

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The average credit period taken on sales of goods is 30 days. No interest is charged on the overdue receivables. The Company has recognized allowances for doubtful debts against all receivables as follows: 0% (5%) for 1-15 days , 0%(25%) for 16-30 days ,0%(50%) for 31-75 days,0%(100%) for 76-90 days,25%(100%) for 90-120 days,50%(100%) for 121-180 days and 100%(100% for more than 180 days . Allowances against doubtful debts are recognized against trade receivables outstanding for more than 180 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the reporting date but against which the Company has not recognized an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty. The average age of these receivables is 30 days .

13.1 Trade receivables

Age of receivables not past due

Particulars	31-Mar-17
1 to 15 days	506,60,445
Total	**506,60,445**

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 is large and unrelated.

NOTES TO THE FINANCIAL STATEMENTS

14 Other assets

Particulars	31-Mar-17
Others	264,49,375
Total	**264,49,375**

15 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks net of outstanding bank overdraft. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Particulars	31-Mar-17
(a) Cash on hand	20,112
(b) Balances with banks	
(i) In current accounts	936,82,543
Total	**937,02,654**

16 Trade and other payables

Particulars	31-Mar-17
(a) Trade Payables	67,532
Due to related parties	597,26,286
Total Trade Payables	**59793818**

Trade payables and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 60 days. The Company has financial risk management policies in place as well as efficient and effective treasury management policies to ensure that all payables are paid within the pre-agreed credit terms.
The directors consider that the carrying amount of trade and other payables approximates to their fair value.

17. Other Current Liabilities

Particulars	31-Mar-17
Other Liabilities	1163,09,462
Total	**1163,09,462**

NOTES TO THE FINANCIAL STATEMENTS

21 Non-cash transactions

There were no non-cash transactions during the year ended 31 March 2017

22 Related party disclosures

22.1 Related party relationships

Redington Gulf Fze owns 99% holdings in Rndc Alliance West Africa Ltd., as at 31 March 2017. The parent Company of Rndc Alliance West Africa Ltd., is Redington Gulf Fze and the ultimate controlling party is Rndc Alliance West Africa Ltd.,.

Related parties

Redington India Limited
Redington Gulf Fze, Dubai

Redington Africa Distribution Limited, Dubai
Redington Middle East Limited, Saudi Arabia
Redington Ghana

RNDC Alliance West Africa Ltd,Nigeria.
Ensure Solutions Nigeria Ltd

22.2 Related party transactions

Details of transactions and outstanding balances between the Company and its related parties during the year are disclosed below:

22.3 Trading transactions

The Company traded with related companies on terms similar to such transactions entered into with third parties. Analysis of transactions and the outstanding balances at year end are shown below:

Details of transactions and outstanding balances between the Company and its related parties during the year are disclosed below:

Particular	Sale of Goods and Services	Purchase of Goods and Services
Related Party	31-Mar-17	31-Mar-17
Redington Gulf Fze. Dubai	-	5602,48,173

NOTES TO THE FINANCIAL STATEMENTS

22 Related party disclosures

22.4 Trading transactions (cont'd)

Analysis of the outstanding at the reporting date:

Particular	Due from related parties 31-Mar-17	Due to related parties 31-Mar-17
Redington Gulf Fze, Dubai	-	597,26,285.90
Redington Nigeria Limited, Nigeria	32,72,882.00	-

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 current or prior period for bad or doubtful debts in respect of the amounts owed by related parties.

23 Remuneration of key management personnel

The Directors, who are the key management personnel of the company has waived their emoluments

24 Loans to/(from) related parties

The Company did not give out nor obtain any loan to/from related companies during the year financial year ending 31st March 2017.

25 Financial Instruments

25.1 Capital risk management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation equity. The Company's overall strategy remains unchanged from 2016.

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital and retained earnings.

The Company is not subject to any externally imposed capital requirements.

Equity includes all capital and retained earnings of the Company that are managed as capital.

25.2 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

25.3 Categories of financial instruments

Financial Assets	**31-Mar-17**
Loans and receivables	0
Cash and bank balances	93702654
Trade and other receivables	53933327
Total	1476,35,981
Financial liabilities	
Financial Liabilities at amortized cost	176103280

NOTES TO THE FINANCIAL STATEMENTS

25.0 Financial Instruments (continued)

25.4 Financial risk management objectives

A financial risk management framework is in place, where appropriate, to mitigate any negative impact that financial risks that may arise will have on the Company's reported results.

The Company's senior management oversees the management of risks to ensure that financial risks are identified, measured and managed in accordance with Company's policies for risk.

Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the

Company's activities. Sensitivity analysis provide the appropriate information to monitor the net underlying financial risks.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

The Company does not trade in financial instruments, nor does it take on speculative or open positions through the use of derivatives.

25.5 Market risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the Company that are affected by market risk are principally the non-derivative financial instruments which include trade and other receivables; cash and cash equivalents; trade and other payables; and short and long term loans).

25.5.1 Interest rate risks

RNDC Alliance West Africa Ltd. is exposed to fluctuations in interest rates on its deposits. The Company has cash and cash equivalents held as deposits with banks which are readily accessible and receive variable rate interest. The Company actively monitors interest rate exposures on the deposits so as to minimise the effect of interest rate fluctuations on the income statement. The Company's exposures to interest rates on financial assets and financial liabilities are

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period 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

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 2017 would increase/decrease by (N 13.333M) This is mainly attributable to the Company's exposure to interest rates on its deposits.

- The Company's sensitivity to interest rates has decreased during the current year mainly due to the reduction in variable rate debt instruments.

NOTES TO THE FINANCIAL STATEMENTS

25 Financial Instruments (continued)

25.5.2 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Liabilities	Assets
	31-Mar-17	31-Mar-17
US Dollar	597,26,286	32,72,882

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency of United States of America

The following table details the Company's sensitivity to a 5% increase and decrease in the Naira against the relevant foreign currencies. 5% 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 year end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations related to the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

For a 5% strenghtening of the Naira against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive.

For a 5% weakening of the Naira against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particular	US Dollar Impact
	31-Mar-17
Profit of Loss	(28,22,596)

(i) This is mainly attributable to the exposure outstanding on US dollars receivables and payables in the Company at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

25.0 Financial Instruments (continued)

25.6 Other price risks

The Company is not exposed to any other price risks arising from equity.

25.7 Credit risk management

Credit risk is the risk that a counterparty will default on its contractual obligations leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and investing activities (deposits with banks).

- ***Trade and other receivables***

The Company's receivables consist of large number of customers spread across diverse industires. Credit evaluation is usually performed on the financial condition of accounts receivable. The company has a policy of only dealing with creditworthy counterparties and obtaining advances where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company does not have significant credit exposure to any single customer or group of customers that are related entities. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board and management periodically.

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.

- ***Deposits with financial institutions***

Credit risk from balances with banks and financial institutions is managed by the management. Surplus funds are spread amongst reputable commercial banks and are limited. Counterpart credit limits are reviewed by the Management periodically and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's liquidation.

The carrying amount of financial assets represents the company's maximum exposure, which at the reporting date, was as follows:

Particular	31-Mar-17
Cash and cash equivalents	937,02,654
Trade and other receivables	539,33,327

25.7.1 Collateral held as security and other credit enhancements

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risk as no collateral or other credit enhancements are held except where advances are obtained from customers when appropriate.

NOTES TO THE FINANCIAL STATEMENTS

25.0 Financial Instruments (continued)

25.8 Liquidity risk management

Liquidity risk is the risk that the Company is unable to meet its current and future cash flow obligations as and when they fall due, or can only do so at excessive cost.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term and medium-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

25.8.1 Maturity risk

The following tables show the Company's contractual maturities of financial liabilities:

Particulars	31-Mar-17			
	Carrying Amount	Contractual Cash Flows	Less than 60 Days	More than 60 days
Financial liabilities at amortised cost				
Trade and other payables	1761,03,280	1761,03,280	1761,03,280	

Financial liabilities that can be repaid at any time have been assigned to the earliest possible time period. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

25 Financial Instruments (continued)

25.90 Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

26 Capital Commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Company's state of affairs have been taken into consideration in the preparation of these financial statements.

27 Contingent liabilities and contingent assets

There were no significant contingent libilities/assets as at 31 March 2017.

28 Events after the reporting period

There were no post balance sheet events that could have material effect on the state of affairs of the Company at 31 March 2017 and on the profit for the year ended on that date that have not been taken into accounts in these financial statements.

29 Going concern considerations

As at 31 March 2017, the Company had accumulated losses of N18.956 million , and working capital deficiency of N8,956 million.The financial statements have been prepared on a going concern basis, because Redington Gulf FZE, Dubai, the parent company has confirmed in writing that they will continue to support the on-going operations of its subsidiary, RNDC Alliance West Africa Limited in the next foreseeable future.

30 General

Financials are presented in Indian Rupees

(CONVENIENCE TRANSLATION OF THE REPORT AND THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

LİNK PLUS BİLGİSAYAR SİSTEMLERİ SANAYİ VE TİCARET A. Ş.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 AND INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Link PlusBilgisayarSistemleriSanayiveTicaret A.Ş.

Report on the Financial Statements

We have audited the accompanying financial statements of Link Plus BilgisayarSistemleriSanayiveTicaret A.Ş. ("the Company"), which comprise the statement of financial position as at 31 December 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 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Turkish Accounting Standards ("IND AS"), 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 Independent Auditing Standards which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). 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 Link Plus BilgisayarSistemleriSanayiveTicaret A.Ş. as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Turkish Accounting Standards.

Other Matters

The financial statements of the Company have been audited within the scope of Turkish Commercial Code No. 6102 and the regulations of POA for the first time, starting from the audit of the opening balance sheet as at 1 January 2015, in accordance with paragraph 2 of Provisional Article 6 of Turkish Commercial Code No. 6102.

The Company's statements of financial position as at 1 January 2015 and 31 December 2015 and its statement of profit or loss for the year ended 31 December 2015 prepared in accordance with other regulations are presented in Not 25, based on paragraph 2 of Provisional Article 6 of Turkish Commercial Code No. 6102. Since these financial statements prepared based on other regulations are not audited by us, we do not express an opinion based on these financial statements.

Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Company's set of accounts and financial statements prepared for the period 1 January-31 December 2016 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

ÖzlemGörenGüçdemir
Partner

İstanbul, 2 Mayıs 2016

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PAGE

The accompanying notes form an integral part of these financial statements. 1

LİNK PLUS BİLGİSAYAR SİSTEMLERİ SANAYİ VE TİCARET A. Ş.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016(In Indian Rupees)

Particulars	Note No.	As at December 31, 2016	As at December 31, 2015
Assets			
Non-Current Assets			
Property Plant and Equipment	7	1,38,11,481	1,68,63,233
Other Intangible assets(Software)	8	3,57,002	2,77,889
Deferred Tax Assets (Net)		-	5,40,745
Other Non Current Assets	4	97,75,378.08	2,35,307.46
Total Non Current Assets		**2,39,43,861**	**1,79,17,174**
Current Assets			
Inventories	6	13,63,00,130	3,27,89,839
Financial assets			
(i) Trade receivables	5	1,81,17,25,970	1,41,38,95,238
(ii) Cash and bank balances	23	1,15,55,014	78,29,925
Other Current Assets	6	6,90,848	13,20,016
Total Current assets		**1,96,02,71,961**	**1,45,58,35,018**
Total Assets		**1,98,42,15,822**	**1,47,37,52,192**
Equity and liabilities			
Equity			
Shareholders' funds(Refer SOCE)			
Equity Share Capital		1,92,65,131	2,26,73,681
Other Equity			
Share premium			
Other reserves		6,79,85,072	15,36,75,790
Retained earnings		28,21,89,013	12,30,93,811
Equity attributable to the owners of the Company		**36,94,39,216**	**29,94,43,283**
Non-Controlling interests		-	-
Total Equity		**36,94,39,216**	**29,94,43,283**
Non-Current Liabilities			
Deferred Tax Liabilities (Net)		16,86,932	-
Provisions	11	3,54,30,349	3,51,25,137
Total Non-current Liabilities		**3,71,17,281**	**3,51,25,137**
Current Liabilities			
Financial Liabilities			
(i) Trade and other payables	6	1,28,66,35,936	80,83,00,868
Borrowings	6	5,82,77,022	6,82,83,809
Provisions	10	14,54,80,292	20,42,27,199
Current tax liabilities (net payables)		1,39,92,804	1,48,78,062
Other Current Liablities	6	7,32,73,270	4,34,93,835
Total Current Liabilities		**1,57,76,59,325**	**1,13,91,83,772**
Total Equity and Liabilities		**1,98,42,15,822**	**1,47,37,52,192**

The accompanying notes form an integral part of these financial statements.

LİNK PLUS BİLGİSAYAR SİSTEMLERİ SANAYİ VE TİCARET A. Ş.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2016(In Indian Rupees)

Particulars	Note No.	Period ended December 31,2016	Period ended December 31,2015
Comprehensive Income:			
(a).Revenue from operations	15	36166,10,788	30446,68,284
(b)Other gain / (losses)	16	152,83,279	30,32,802
(c) Total Revenue(a+b)		**36318,94,067**	**30477,01,086**
(d) Expenses			
Purchase of traded goods		34304,86,019	26622,60,863
Changes in inventories		(1035,10,291)	627,32,258
Employee Benefits	17	563,53,299	466,13,595
Finance Costs	17a	64,50,749	53,98,261
Depreciation & Amortisation		74,94,347	83,52,307
Other Expenses	17b	680,37,133	766,21,140
Total Expenses(d)		**34653,11,257**	**28619,78,423**
Profit before Corporate social responsibility expenditure and Tax		1665,82,810	1857,22,662
Profit before exceptional items and tax		1665,82,810	1857,22,662
Extraordinary Items			
e.Profit before tax (c-d)		**1665,82,810**	**1857,22,662**
Income Tax expense:			
Current tax		(307,82,875)	(358,95,616)
Deferred tax		(24,87,918)	(9,50,050)
h.Profit for the Year (e-f-g)		**1333,12,017**	**1488,76,996**
Total Comprehensive Income for the Year attributable to (h+k)		1333,12,017	1488,76,996
Profit for the year attributable to the :-			
Shareholders of the Company		1333,12,017	1488,76,996
Total Comprehensive Income for the year attributable to the :-			
Shareholders of the Company		1333,12,017	1488,76,996

The accompanying notes form an integral part of these financial statements.

LİNK PLUS BİLGİSAYAR SİSTEMLERİ SANAYİ VE TİCARET A. Ş.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2016(In Indian Rupees)

Particulars	Share capital	Statutory Reserve	Retained earnings	Foreign currency transalation reserve	Total Equity
As at April 2016	2,26,73,681	47,98,794	14,88,76,996	12,30,93,811	29,94,43,283
Profit for the year			13,33,12,017		13,33,12,017
Dividend paid			-		-
Other comprehensive income					-
Foreign currency adustment					-
Additions during the year		-	-	(6,33,16,083)	(6,33,16,083)
Deduction					-
Balance as at March 31, 2017	1,92,65,131	40,77,387.98	28,21,89,013	5,97,77,728	36,94,39,216

The accompanying notes form an integral part of these financial statements.

LİNK PLUS BİLGİSAYAR SİSTEMLERİ SANAYİ VE TİCARET A. Ş.

STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2016(In Indian Rupees)

Particulars	31-Dec-16	31-Dec-15
Profit before income tax	1665,82,810	1857,22,662
Adjustments for		
Depritiation	74,94,347	
Interest	64,50,749	
Change in Working capital		
Inventories	(1256,94,472)	(327,89,839)
Trade Receivables	(7075,06,370)	(14152,15,254)
Other Current Assets	4,99,267	(7,76,052)
Trade and other payables	7067,49,764.44	11743,08,909
Cash Generated from Operations	**660,30,908**	**(887,49,574)**
Income Tax paid	(292,16,474)	(76,71,767)
Gratuity Paid During the year		
Net Cash generated from operating activities	368,14,435	(964,21,340)
Cash flow from investing activity		
Purchase of property and equipment	(131,31,794)	(171,41,122)
Sale of Property plant and Equipment		
Net cash in investing activity	(131,31,794)	(171,41,122)
Cash flow from financing activity		
Increase in bank borrowings	110,99,085	-
Interest expense	(64,50,749)	-
Proceed from Issue of Share Capital		226,73,681
Net cashflow from financing activity	**46,48,336**	-
Net increase in cash and cash equivalents	283,30,976	(1135,62,462)
Cash and Cash equivalents at the beginning of the year	78,29,925	-
Currency transalation asjustment	(246,05,888)	1213,92,387
Cash and Cash equivalents at the end of the year	**115,55,014**	**78,29,925**

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

Link PlusBilgisayarSistemleriSanayiveTicaret A.Ş. ("the Company") was founded in 1995. The address of the Company's registered office and principal place of business is KısıklıMahallesi, HanımsetiSokak, No:46, Çamlıca, İstanbul. The Company's principal activity is to distribute informatics products as a value added distributor to business partners. The Company is a value added distributor of mainly Oracle and aims to provide high quality service in technical support, logistics and marketing of the distributed products. The Company received new distributorships in 2016, which are Splunk and Trend Micro.

80 % of the Company's shares has been purchased by Redington Guld FZE during 2015 and

2016. The average number of personnel of the Company for the year of 2016 is 16 (2015: 16).

Approval of financial statements:

Board of Directors has approved the financial statements and delegated authority for publishing it on 2 May 2017. General Assembly has the authority to modify the financial statements.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Presentation

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.

Statement of Compliance in IND AS

The accompanying financial statements have been prepared in accordance with Turkish Accounting Standards ("IND AS") published by Public Oversight Accounting and Auditing Standards Authority ("POA") the supplementary information and the interpretations related to them.

The financial statements and disclosures have been prepared in accordance with the resolution of POA dated 20 May 2013 about the "illustrations of financial statements and application guidance".

The Company's statements of financial position as at 1 January 2015 and 31 December 2015 and its statement of profit or loss for the year ended 31 December 2015 prepared in accordance with 1 numbered general communique on accounting system application and tax procedural law. The Company's financial statements as at 31 December 2016 are the first financial statements prepared in accordance with IND AS. Transition to IND AS is explained in Note 24.

Currency Used

The financial statements of the Company are presented in Turkish Lira ("TL") which is the currency of the primary economic environment in which the entity operates (its functional currency).

2.2 Changes in Accounting Policies

Significant changes made in accounting policies are applied retrospectively and prior year financial statements are restated. The Company has not made changes in accounting policies in current period.

2.3 Changes in Accounting Estimates and Errors

If changes in accounting estimates are for only one period, changes are applied on the current year but if the changes in accounting estimates are for the following periods, changes are applied both on the current and the following years prospectively. In the current year, there are not any material errors and changes in accounting estimate methods of the Company.

Significant accounting errors are corrected retrospectively, by restating the prior period financial statements. The Company has not determined any significant accounting errors in the current year.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.4 New and Revised Turkish Accounting Standards

a) Amendments to IND AS affecting amounts reported and/or disclosures in the financial statements

None.

b) New and revised IND AS applied with no material effect on the financial statements

Amendments to IND AS 16 and IND AS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation* [1]
Amendments to IND AS 11 and IND AS 1	*Accounting for Acquisition of Interests in Joint operations* [1]
Annual Improvements to 2011-2013 Cycle	*IND AS 1* [2]
Amendments to IND AS 1	*Disclosure Initiative* [2]
Annual Improvements to 2012-2014 Cycle	*IND AS 5, IND AS 7, IND AS 34, IND AS 19* [2]
Amendments to IND AS 27	*Equity Method in Separate Financial Statements* [2]
Amendments to IND AS 10 and IND AS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [2]
Amendments to IND AS 10, IND AS 12 and IND AS 28	*Investment Entities: Applying the Consolidation Exception* [2]
IND AS 14	*Regulatory Deferral Accounts* [2]

[1] Effective for annual periods beginning on or after 31 December 2015.
[2] Effective for annual periods beginning on or after 1 January 2016.

Amendments to IND AS 16 and IND AS 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.

Amendments to IND AS 11 and IND AS 1 *Accounting for Acquisition of Interests in Joint operations*

This amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to:

apply all of the business combinations accounting principles in IND AS 3 and other IND AS, except for those principles that conflict with the guidance in IND AS 11,
disclose the information required by IND AS 3 and other IND AS for business combinations.

Amendments to IND AS 11 also led to amendments in related provisions of IND AS 1.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.4 New and Revised Turkish Accounting Standards (cont'd)

b) New and revised IND AS applied with no material effect on the financial statements (cont'd)

Annual Improvements 2011-2013 Cycle

IND AS 1: Clarify which versions of IND AS can be used on initial adoption (amends basis for conclusions only).

Amendments to IND AS 1 *Disclosure Initiative*

This amendment addresses perceived impediments to preparers exercising their judgment in presenting their financial reports.

Annual Improvements 2012-2014 Cycle

IND AS 5: Adds specific guidance in IND AS 5 for cases in which an entity reclassifies an asset from held for sale toheld for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

IND AS 7: Additional guidance to clarify whether a servicing contract is continuing involvement in a transferredasset, and clarification on offsetting disclosures in condensed interim financial statements.

IND AS 34: Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

Annual Improvements to 2012-2014 Cycle also led to amendments in related provisions of IND AS 19.

Amendments to IND AS 27 *Equity Method in Separate Financial Statements*

This amendment permits investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

Amendments to IND AS 10 and IND AS 28 *Sale or Contribution of Assets between an Investor and its Associateor Joint Venture*

This amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

Amendments to IND AS 10, IND AS 12 and IND AS 28 *Investment Entities: Applying the Consolidation Exception*

This amendment addresses issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

The exemption from preparing financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.

A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.

When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.

An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IND AS 12.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.4 New and Revised Turkish Accounting Standards (cont'd)

b) New and revised IND AS applied with no material effect on the financial statements (cont'd)

IND AS 14 *Regulatory Deferral Accounts*

IND AS 14 *Regulatory Deferral Accounts* permits an entity which is a first-time adopter of Turkish Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IND AS and in subsequent financial statements.

IND AS 14 also led to amendments in related provisions of IND AS 1.

c) New and revised IND AS in issue but not yet effective

The Company has not applied the following new and revised IND AS that have been issued but are not yet effective:

IND AS 9	*Financial Instruments* [1]
IND AS 15	*Revenue from Contracts with Customers* [1]

[1] Effective for annual periods beginning on or after 1 January 2018.

IND AS 9 *Financial Instruments*

IND AS 9, issued by Public Oversight Authority ("POA") in 2010, introduces new requirements for the classification and measurement of financial assets. IND AS 9 is amended in 2011 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Revised version of IFRS 9 is issued by POA in January 2017 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.

IND AS 9 is effective for the annual periods beginning on or after 1 January 2018. Early adoption is permitted unless before 1 February 2015.

IND AS 15 *Revenue from Contracts with Customers*

IND AS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

Identify the contract with the customer,
Identify the performance obligations in the contract, Determine the transaction price,
Allocate the transaction price to the performance obligations in the contracts,
Recognise revenue when the entity satisfies a performance obligation.

The Company evaluates the effects of these standards, amendments and improvements on the financial statements.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting

Policies Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(ii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Net sales is reduced for estimated and realized customer returns, rebates, commissions and taxes related with sales.

Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time 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.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies

(cont'd) Revenue (cont'd)

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:

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 balance sheet date;

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, taking into account historical trends in the number of services actually provided on past goods sold; and

Revenue from time and material contracts is recognized at the contractual rates as labour hours are delivered and direct expenses are incurred.

Interest income:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. 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.

Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of profit or loss in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Property, Plant and Equipment (cont'd)

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. 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.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any 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 profit or loss.

Intangible Assets

Intangible assets acquired seperately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired seperately are carried at cost less accumulated impairment losses.

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (5-10 years).

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

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.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Impairment of Tangible and Intangible Assets Other Than Goodwill (cont'd)

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.

Financial Instruments

Financial assets

Financial assets are classified into the following specified categories: 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. When a financial asset is recognised initially, the Company measures it at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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 others) 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits 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. The Company's cash and cash equivalents are classified under the category of 'Loans and Receivables'.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies

(cont'd) Financial Instruments (cont'd)

Financial assets (cont'd)

Recognition and derecognition of financial assets

The Company recognises a financial asset or a financial liability in its statement of financial position when, and only, the entity becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. 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 recognizes a collateralized borrowing for the proceeds received. An entity shall remove a financial liability from its statement of financial position when, and only, the obligation specified in the contract is discharged or cancelled or expires.

Financial liabilities

When a financial liability is recognised initially, the Company measures it at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method.

Foreign Currency Balances and Transactions:

The financial statements of the entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the entity are expressed in Ìndian Rupees, which is the functional currency of the Company, and the presentation currency for the financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than TL (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 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 are recognized in profit or loss in the period in which they arise except for:

> Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Events After the Reporting Period

Events after the reporting period are those events that occur between the balance sheet date and the date when the financial statements are authorized for issue, even if they occur after an announcement related with the profit for the year or public disclosure of other selected financial information.

The Company adjusts the amounts recognized in its financial statements if adjusting events occur after the balance sheet date.

Provisions, Contingent Assets and Liabilities

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. 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.

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.

Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current 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 tax

Deferred tax liability or asset 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.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Income Taxes (cont'd)

Deferred tax (cont'd)

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 are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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.

Employee Benefits

Termination and retirement benefits:

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan as per IND AS 19 (Revised) *Employee Benefits* ("IND AS 19").

The retirement benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

Statement of Cash Flows

In statement of cash flows, cash flows are classified according to operating, investing and financing activities.

Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

2.6 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, which are described in Note 2.5, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements (apart from those involving estimations, which are dealt with below):

Deferred taxes

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities.

3. RELATED PARTY DISCLOSURES

The receivables from related parties arise mainly from sale transactions and are due in 3 months. The receivables are unsecured in nature and bear no interest.

The payables to related parties arise mainly from purchase transactions and are due in 3 months. The payables bear no interest.

Details of transactions between the Company and other related parties are disclosed below.

Compensation of key management personnel:

Key management personnel comprises, members of board of directors and members of execution committee. Compensation of key management personnel comprises professional fees and other benefits such as; salaries, premium, healthcare insurance and transportation. The remuneration of directors and other members of key management during the year amounted to 721.902 TL (31 December 2015: 219.661 TL).

Balances with related parties are as follows:

Particular	31-Dec-16			
	Receivables		Payables	
	Current		Current	
	Trading	Non Trading	Trading	Non Trading
Balances with related parties				
Others				
Adeo Bilişim Dan.Hiz.San.ve Tic.A.Ş.	311,44,011	-	-	-
Tech Plus Bilgi Teknolojileri A.Ş.	15,162	-	10,962	-
Arena Bilgisayar San. ve Tic. A.Ş.	-	-	52,02,337	-
	311,59,173	-	52,13,299	-

Particular	31-Dec-15			
	Receivables		Payables	
	Current		Current	
	Trading	Non Trading	Trading	Non Trading
Balances with related parties				
Parent/Shareholders of the Company				
Erdinç Başlık		1,75,494		395,55,597
Others				
Tech Plus Bilgi Teknolojileri A.Ş.	29,430		88,291	
	29,430	1,75,494	88,291	395,55,597

Transactions with related Parties

Particular	**1 January - 31 December 2016**		
Transaction with Related Party	Purchase	Sales	Interest Received
Other			
Adeo Bilişim Dan.Hiz.San.ve Tic.A.Ş.	305,92,909	-	-
Arena Bilgisayar San. ve Tic. A.Ş.	49,44,551	-	-
Redington Gulf FZE	32,18,329	-	-
Total	387,55,789	-	-

3. RELATED PARTY DISCLOSURES (cont'd)

Transactions with related parties (cont'd):

Particular	1 January - 31 December 2015		
Transaction with Related Party	Purchase	Sales	Interest Received
Parent/Shareholders of the Company			
Erdinç Başlık	-	-	7,92,230
Others			
Tech Plus Bilgi Teknolojileri A.Ş.	3,12,750	79,372	-
Total	3,12,750	79,372	7,92,230

4. Other Non-Current Assets

Other Non Current Assets		
Particulars	**31-Dec-16**	**31-Dec-15**
Others	97,75,378	2,35,307
Total	**97,75,378**	**2,35,307**

5. TRADE RECEIVABLES AND PAYABLE

a) Trade Receivables:

The details of the Company's trade receivables as of balance sheet date are as follows:

Particulars	31-Dec-16	31-Dec-15
(a) Trade receivables outstanding for a period not exceeding six months from the date they were due for payment		
Considered good	17365,46,338	14080,30,486
Less:Allowance for doubtful debts	(355,73,816)	(418,67,837)
(c) Receivables from releted parties	311,59,173	29,430.44
(b) Other Trade receivables		-
Considered good	795,94,275	477,03,158
Total Trade and other receivable	**18117,25,970**	**14138,95,238**

The average credit period on sales of goods is 90 days (2015: 60 days).

As of 31 December 2016, trade receivables of INR 355,73,816(31 December 2015: INR 418,67,837) were impaired and provided for provision. The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

Allowances for doubtful receivables are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty.

5. TRADE RECEIVABLES AND PAYABLES (cont'd)

a) Trade Receivables (cont'd):

Movements on the Company's provision for allowance of trade receivables are as follows:

Particulars	31-Dec-16	31-Dec-15
Balance at the beginning of the year	418,67,837	498,59,321
CTA	(62,94,021)	(79,91,485)
Balance at the end of the year	355,73,816	418,67,837

Explanations about the nature and level of risks related to trade receivables are provided in Note 20. b) Trade Payables:

The details of the Company's trade payables as of balance sheet date are as follows:

Particulars	31-Dec-16	31-Dec-15
(a) Trade Payables	12813,12,864	7683,70,633
Due to related parties	52,13,299	396,43,889
(b) Other Payables	1,09,773	2,86,346
Total Trade Payables	**1286635936**	**808300868**

The average credit period on purchases of certain goods is 60 days (2015: 60 days).

Explanations about the nature and level of risks related to other receivables are provided in Note 20.

6. OTHER RECEIVABLES AND PAYABLES

(a) Other current Assets

Particulars	31-Dec-16	31-Dec-15
Prepayments	6,90,848	9,17,785
Others	-	4,02,231
Total	**6,90,848**	**13,20,016**

(b) Financial Current Liability

Particulars	31-Dec-16	31-Dec-15
Current maturities of long term borrowings	582,77,022	682,83,809
Total	**582,77,022**	**682,83,809**

(C) Other Current Liability

Particulars	31-Dec-16	31-Dec-15
Deferred revenue	471,78,419	118,04,055
Statutory liabilities (Corporate Tax Payable)	245,22,528	307,90,406
Payable Related Emplyee benefit	15,64,078	8,88,763
Other Liabilities	8,245	10,611
Total	**732,73,270**	**434,93,835**

7. INVENTORIES

Particulars	31-Dec-16	31-Dec-15
Trading Stocks	1363,00,130	327,89,839
Total	**136300130**	**327,89,839**

8. PROPERTY, PLANT AND EQUIPMENT

Description	Plant and Equipment	Furniture & Fixtures	Vehicles	Total
Cost				
As at 01.01.16	96,14,366	281,38,243	16,46,835	393,99,444
Additions	2,40,009	126,68,479	-	129,08,488
Assets of Subsidiaries acquired	-	-	-	-
Disposal	-	91,44,354	10,52,686	101,97,041
Translation adjustments	(14,78,282)	(47,13,820)	(1,03,061)	(62,95,163)
As at 31.12.16	**83,76,094**	**269,48,547**	**4,91,087**	**358,15,729**
Accumulated Depreciations				
As at 01.01.16	87,34,537	125,21,178	12,80,496	225,36,211
Additions	5,93,525	65,51,751	2,65,890	74,11,166
Assets of subsidiaries acquired	-	-	-	-
Disposals	-	30,48,126	10,52,686	41,00,812
Disposal of Assets of EA				-
Translation adjustments	(13,94,546)	(23,63,282)	(84,489)	(38,42,317)
As at 31.12.16	**79,33,516**	**136,61,521**	**4,09,211**	**220,04,248**
Carrying Amount				
As at 01.01.16	**8,79,830**	**156,17,065**	**3,66,339**	**168,63,233**
As at 31.12.16	**4,42,578**	**132,87,026**	**81,877**	**138,11,481**

The following useful lives are used in the calculation of depreciation:

	Useful Life
Plant, Machinery and Equipment	4 years
Motor Vehicles	5 years
Furniture and Fixtures	3-15 years
Leasehold Improvements	4-5 years

Depreciation expenses has been charged in administrative expenses.

9. Other Intangible Assets

Particulars	Non competition fee	Total
Cost		
As at 01.01.16	5,43,457	5,23,943
Additions	2,23,306	2,23,306
Assets acquired on acquisition	-	-
Disposals	-	-
Translation adjustment	(1,28,933)	(1,09,419)
As at 31.12.16	**6,37,830**	**6,37,830**
Accumulated Depreciation		
As at 01.01.16	2,46,055	2,46,055
Additions	83,181	83,181
Disposals	-	-
Translation adjustment	(48,408)	(48,408)
As at 31.12.16	**2,80,828**	**2,80,828**
Carrying Amount		
As at 01.01.16	**2,97,402**	**2,77,889**
As at 31.12.16	**3,57,002**	**3,57,002**

Amortization expenses has been charged in administrative expenses.
The following useful lives are used in the calculation of amortization:

	Useful life
Rights	3-5 years

11. PROVISIONS

Current Provision

Particulars	31-Dec-16	31-Dec-15
Provision for expected cost of sales	1454,80,292	2042,27,199
Total	**1454,80,292**	**2042,27,199**

Non-Current Provision

Particulars	31-Dec-16	31-Dec-15
Provision for expected cost of sales	308,24,210	280,97,997
Total	**354,30,349**	**351,25,137**

(*) The Company records its uninvoiced cost of sales as provisions each period end. Expected cost of sales is determined upon past experience.

Movement for provisions

Particular	31-Dec-16	31-Dec-15
Opening Balance	2323,25,195	1190,38,675
Charge for the Period	3800,23,684	2615,41,385
Invoiced Amounts	(4044,75,412)	(1232,23,386)
CTA	(315,68,965)	(250,31,478)
Closing Balance	1763,04,502	2323,25,195

12. COMMITMENTS

Collateral/pledge/mortgage (“CPM”) position given by the Company

31-Dec-16	TL Equivalent	TL
A. CPMs given for Company's own legal personality		
Collateral	3,12,769	3,12,769
Total		
31-Dec-15		
A. CPMs given for Company's own legal personality		
Collateral	2932,65,929	2932,65,929
Total		

12. COMMITMENTS (cont'd)

The Company as Lessee

Leasing arrangements:

Operating leases relate to car and building rentals with lease terms of between 3 to 7 years, with an option to extend for a further 3 years. All operating lease contracts contain market review clauses in the event that the Company exercises its option to renew. The Company does not have an option to purchase the leased asset at the expiry of the lease period.

Payments recognised as expense:	31-Dec-16	31-Dec-15
Minimum lease payments	110,98,951	9,89,973
Total	110,98,951	9,89,973
Non-cancelable operating lease commitments	**31-Dec-16**	**31-Dec-15**
Less than than 1 year	-	-
Between 1-5 years	-	-
More than 5 years	-	-

13. EMPLOYEE BENEFITS

Payables related to employee benefits

Particulars	31-Dec-16	31-Dec-15
Due to personnel	16,356	1,64,384
Social security premiums payable	15,47,722	7,24,379
Total	15,64,078	8,88,763

Long-term provisions for employee benefits

Provision for retirement pay liability:

Under Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

14. EMPLOYEE BENEFITS (cont'd)

Long-term provisions for employee benefits (cont'd)

Provision for retirement pay liability(cont'd):

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. IND AS 19 *Employee Benefits* stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2016, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 4,49% real discount rate (31 December 2015: 3 %) calculated by using 7,00% annual inflation rate and 11,80% interest rate. Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration as 6,59% for employees with 0-15 years of service, and 0% for those with 16 or more years of service. Ceiling amount of TL 4.426,16 which is in effect since 1 January 2017 is used in the calculation of Company's provision for retirement pay liability (1 January 2016: TL 4.092,53).

Provision for retirement pay liability (cont'd):

Particulars	31-Dec-16	31-Dec-15
Balance at January 1	**70,27,141**	**68,09,994**
Service Cost	9,74,820	14,097
Interst Cost	2,59,437	1,92,105
Cancellations	(16,37,257)	-
Less: Payments in the year	(11,78,743)	(2,34,350)
Currency translation adjustment	23,83,277	(8,25,607)
Balance at December 31	**78,28,675**	**59,56,240**

15. REVENUE

Particulars	31-Dec-16	31-Dec-15
Sales	35910,96,436	30208,22,205
Supplier Rebates	159,08,782	59,27,401
Other operating revenues	96,05,570	179,18,677
Total	**36166,10,788**	**30446,68,284**

16. OTHER INCOME

Particulars	31-Dec-16	31-Dec-15
Exchange gain/(Loss) Net	152,83,279	30,32,802
Total	**152,83,279**	**30,32,802**

17. EMPLOYEE BENEFIT EXPENSES

Particulars	31-Dec-16	31-Dec-15
Salaries	563,53,299	466,13,595
Total	**563,53,299**	**466,13,595**

17a. FINANCE COST

Particulars	31-Dec-16	31-Dec-15
Interest Expenses	34,05,303	23,36,293
Other Borrowing costs	30,45,446	30,61,968
Total	**64,50,749**	**53,98,261**

17b. OTHER EXPENSES

Particulars	31-Dec-16	31-Dec-15
Rent	110,98,951	98,99,734
Communication	6,37,002	6,70,139
Sales Promotion Expenses	304,62,610	446,92,786
Travelling Expenses	31,49,975	38,98,433
Professional Charges	15,58,072	17,56,733
Exchange Loss Net	23,85,532	28,62,116
Miscellaneous Expenses	187,44,990	128,41,199
Total	**680,37,133**	**766,21,140**

18. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Current tax liability:	**31-Dec-16**	**31-Dec-15**
Current corporate tax provision	307,82,875	358,95,616
Less: prepaid taxes and funds	-145,63,542	-203,48,558
Total	162,19,333	155,47,058

Income tax recognized in profit or loss	**31-Dec-16**	**31-Dec-15**
Tax expense / (income) comprises:		
Current tax expense	307,82,875	358,95,616
Deferred tax expense / (income)	24,87,918	9,50,050
Total tax expense / (income)	332,70,793	368,45,666

Corporate Tax

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 2016 is 20% (2015: 20%) for the Company.

Deferred Tax:

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IND AS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IND AS and tax purposes and they are given below.

For calculation of deferred tax asset and liabilities, the rate of 20% (31 December 2015: 20%) is used.

Deferred tax (assets)/liabilities:	**31-Dec-16**	**31-Dec-15**
Restatement and depreciation / amortization differences of property, plant and equipment and other intangible assets	13,54,618	14,27,042
Accrued costs	(8,93,224)	-
Provision for employment termination benefits	(10,67,804)	(14,68,624)
Income accrual adjustment for rebates	15,31,320	(4,08,992)
Effect of amortized cost method on receivables and payables	1,43,228	(1,14,486)
Other	8,87,217	-
Total	19,55,356	(5,65,059)

18. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Movement of deferred tax (assets)/liabilities for years ended 31 December 2016 and 2015 are as follows:

Movement of deferred tax (assets)/liabilities	**31-Dec-16**	**31-Dec-15**
Opening balance at 1 January	(5,40,745)	(17,26,665)
Charged to profit or loss	24,87,918	9,50,050
CTA	(2,60,241)	2,35,870
Closing balance at 31 December	16,86,932	(5,40,745)

Total charge for the year can be reconciled to the accounting profit as follows:	**31-Dec-16**	**31-Dec-15**
Profit from operations before tax	1665,82,810	1857,22,662
Tax at the domestic income tax rate of 20% (2015: 20%)	(333,16,571)	(371,44,532)
Tax effects of:	-	-
Expenses that are not deductible in determining taxable profit	(33,429)	(74,799)
Other	79,207	3,73,666
Income tax expense recognised in profit or loss	1333,12,017	1488,76,996

19. FINANCIAL INSTRUMENTS

Financial Liabilities

Financial Borrowings	**31-Dec-16**	**31-Dec-15**
Bank Loans	582,77,022	682,83,809
Total	582,77,022	682,83,809

Currency Type	Weighted Average Effective Interest Rate	31-Dec-16	
		Current	Non Current
TL	12.00%	675,50,036	-

Currency Type	Weighted Average Effective Interest Rate	31-Dec-15	
		Current	Non Current
TL	14.00%	713,54,211	-

19. FINANCIAL INSTRUMENTS (cont'd)

Redemption of bank borrowings as follows:

Particular	31-Dec-16	31-Dec-15
To be paid within 1 year	582,77,022	682,83,809
Total	582,77,022	682,83,809

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

20. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Capital risk management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in Note 19, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Company's risk management committee reviews the capital structure of the Company collectively on a quarterly basis. As a part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

In addition and 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 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

During 2016, the Company's strategy, which was unchanged from 2015. The gearing ratios at 31 December 2016 and 2015 were as follows:

Particular	31-Dec-16	31-Dec-15
Total borrowings	582,77,022.24	682,83,809.27
Less: Cash and cash equivalents	-115,55,013.85	-78,29,925.05
Net debt	467,22,008.39	604,53,884.22
Total equity	3694,39,216.33	2994,43,282.77
Total capital	4161,61,224.72	3598,97,166.99
0		
Gearing Ratio	11%	17%

b) Financial risk factors

The Company's activities expose it to a variety of financial risks including interest rate risk, liquidity risk, currency risk and credit risk. Company's risk management programme generaly focuses on uncertainty in financial markets and minimizing potential negative effects on Company's financial performance.

20. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b.1) Credit risk management

Details of credit risk by class of financial instruments	Receivables				
	Trade Receivables		Other Receivables		
31-Dec-16	Related Parties	Others	Related Parties	Others	Deposits at banks
Maximum credit risk exposed as of balance sheet date (A+B+C+D) (*)	311,59,173	17902,58,930	-	-	114,56,993
- Secured portion of the maximum credit risk by guarantees (**)	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	311,59,173	14846,15,637	-	-	114,56,993
B. Net book value of financial assets that are past due but not impaired	-	3056,43,293	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-
-Past due (gross amount)	-	355,73,816	-	-	-
- Impairment (-)	-	(355,73,816)	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	-	-	-	-
- not Past due (gross amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	-	-	-	-
D. Off-balance sheet items include credit risk	-	-	-	-	-
Details of credit risk by class of financial instruments	Receivables				
	Trade Receivables		Other Receivables		
31-Dec-15	Related Parties	Others	Related Parties	Others	Deposits at banks
Maximum credit risk exposed as of balance sheet date (A+B+C+D) (*)	29,430	14139,41,651	1,75,494	2,26,737	78,21,604
- Secured portion of the maximum credit risk by guarantees (**)	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	29,430	12867,07,608	1,75,494	2,26,737	78,21,604
B. Net book value of financial assets that are past due but not impaired	-	1272,34,043	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-
-Past due (gross amount)	-	418,67,837	-	-	-
- Impairment (-)	-	(418,67,837)	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	-	-	-	-
- not Past due (gross amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	-	-	-	-
D. Off-balance sheet items include credit risk	-	-	-	-	-

(*)The factors that increase the credit reliability, such as guarantees received are not considered in the determination of the balance. (**)Guarantees consist of guarantee letters, guarantee notes and mortgages obtained from the customers.

20. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b.1) Credit risk management (cont'd)

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Company, aiming to decrease credit risk by transacting only with parties who has credit assurance and where possible, obtaining sufficient guarantee. Credit risks which the Company is exposed and credibility of customers are being watched continuingly. Credit risk is being controlledby the risk management committee through limits which are determined and quarterly controlled by the management.

Aging of overdue receivables but not impaired is as follows:

Trade Receivable	31-Dec-16	31-Dec-15
Past due 3-12 Months	3056,43,293	1272,34,043
Total Past Due Receivables	3056,43,293	1272,34,043

Secured portion of receivables by guarantees, etc.

b.2) Liquidity risk management

The ultimate responsibility for liquidity risk management belongs to the Board of Directors. The Board of Directors has established a liquidity risk management in order to meet short, mid and long term financing, and liquidity requirements of the management. The Company manages liquidity risk by expecting liquidity risk, by watching actual cash flows closely, and by maintaining sustainability of credibility reserve and sufficient funds through matching maturities of financial assets and libilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables below have 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 and principal cash flows.

Liquidity risk table:

31 December 2016

Contract Terms	Carrying value	Total Contracted Cash Outflows	Less than 3 months	3 to 12 months	1 to 5 years	5 years +
Non-derivative financials liabilities		(I+II+III+IV)	(I)	(II)	(III)	(IV)
Bank loans	5,82,77,022	5,82,77,022	5,82,77,022	-	-	-
Trade payables	1,28,66,35,936	1,29,95,75,708	1,29,95,75,708	-	-	-
Other payables	2,45,30,773	2,45,30,773	2,45,30,773	-	-	-
Total liabilities	1,36,94,43,731	1,38,23,83,503	1,38,23,83,503	-	-	-

31 December 2015

Contract Terms	Carrying value	Total Contracted Cash Outflows	Less than 3 months	3 to 12 months	1 to 5 years	5 years +
Non-derivative financials liabilities		(I+II+III+IV)	(I)	(II)	(III)	(IV)
Bank loans	6,82,83,809.27	6,82,83,809.27	-	6,82,83,809.27	-	-
Trade payables	76,87,45,270.14	78,20,99,592.30	78,20,99,592.30	-	-	-
Other payables	7,03,56,614.54	7,03,56,614.54	7,03,56,614.54	-	-	-
Total liabilities	90,73,85,693.95	92,07,40,016.10	85,24,56,206.84	6,82,83,809.27	-	-

20. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b.3) Market risk management

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are supplemented by sensitivity analysis.

b.3.1) Foreign currency risk management

Transactions denominated in foreign currencies result in foreign currency risk. Foreign currency risk is managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting period are as follows:

Particular	**31-Dec-16**		
	TL (Functional Currency)	**US Dollar**	**Euro**
1. Trade Receivables	7,69,71,443	1,70,77,942	45,47,496
2a. Monetary Finacial Assets	43,92,623	12,15,206	31,287
2b. Non-monetary Financial Assets	-	-	-
3. Other	-	-	-
4.CURRENT ASSETS	8,13,64,067	1,82,93,148	45,78,782
5. Trade Receivables	-	-	-
6a. Monetary Finacial Assets	-	-	-
6b. Non-monetary Financial Assets	-	-	-
7. Other	-	-	-
8. NON-CURRENT ASSETS	-	-	-
9. TOTAL ASSETS	8,13,64,067	1,82,93,148	45,78,782
10 Payable	7,67,66,289	2,18,13,561	-
11 Financial Liabilities	-	-	-
12a. Monetary Other Liabilities	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-
13 CURRENT LIABILITIES	7,67,66,289	2,18,13,561	-
14 Payable	-	-	-
15 Financial Liabilties	-	-	-
16a. Monetary Other Liabilities	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-
17 NON-CURRENT LIABILITIES	-	-	-
18.TOTAL LIABILITIES	7,67,66,289	2,18,13,561	-
19 Off-balance Sheet Derivative Instruments	-	-	-
Net Asset/Liability Position (19a-19b)	-	-	-
20.Net Foreign Currency Assets/Liabilities Position	2,38,658	2,38,658	2,38,658
21.Monetary Items Net Foreign Currency Assets / Liabilities (1+2a+5+6a-10-11-12a-14-15-16a)	2,38,658	2,38,658	2,38,658

20. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b.3) Market risk management (cont'd)

b.3.1) Foreign currency risk management (cont'd)

Particular	**31-Dec-15**		
	TL (Functional Currency)	**US Dollar**	**Euro**
1. Trade Receivables	-	-	-
2a. Monetary Finacial Assets	15,86,29,813	5,45,56,959	-
2b. Non-monetary Financial Assets	-	-	-
3. Other	-	-	-
4.CURRENT ASSETS	15,86,29,813	5,45,56,959	-
5. Trade Receivables	-	-	-
6a. Monetary Finacial Assets	-	-	-
6b. Non-monetary Financial Assets	-	-	-
7. Other	-	-	-
8. NON-CURRENT ASSETS	-	-	-
9. TOTAL ASSETS	15,86,29,813	5,45,56,959	-
10 Payable	43,70,171	15,03,016	-
11 Financial Liabilities	-	-	-
12a. Monetary Other Liabilities	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-
13 CURRENT LIABILITIES	43,70,171	15,03,016	-
14 Payable	-	-	-
15 Financial Liabilties	-	-	-
16a. Monetary Other Liabilities	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-
17 NON-CURRENT LIABILITIES	-	-	-
18.TOTAL LIABILITIES	43,70,171	15,03,016	-
19 Off-balance Sheet Derivative Instruments	-	-	-
Net Asset/Liability Position (19a-19b)	-	-	-
20.Net Foreign Currency Assets/Liabilities Position	68,03,467	68,03,467	68,03,467
21.Monetary Items Net Foreign Currency Assets / Liabilities (1+2a+5+6a-10-11-12a-14-15-16a)	68,03,467	23,39,891	-

20. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b.3.1) Foreign currency risk management (cont'd)

Foreign currency sensitivity analysis

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and EURO.

The following table details the Company's sensitivity to a 10% increase and decrease in US Dollar and EURO against TL. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the 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 or equity.

Particular	31-Dec-16	
	Profit / Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case of US Dolar increases in 10% against TL		
1 - US Dolar net asset/liability	(12,38,902)	12,38,902
3- Net effect of US Dollar (1 +2)	(12,38,902)	12,38,902
In case of Euro increases in 10% against TL		
4 - Euro net asset/liability	16,98,684	(16,98,684)
6- Net effect of Euro (4+5)	16,98,684	(16,98,684)
TOTAL (3 + 6 +9)	4,59,782	(4,59,782)

Particular	31-Dec-15	
	Profit / Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case of US Dolar increases in 10% against TL		
1 - US Dolar net asset/liability	1,54,25,971	(1,54,25,971)
3- Net effect of US Dollar (1 +2)	1,54,25,971	(1,54,25,971)
TOTAL (3 + 6 +9)	1,54,25,971	(1,54,25,971)

21. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)

31-Dec-16	Loans and receivables (including cash and cash equivalents)	Financial liabilities at amortized cost	Carrying value	Note
Financial assets				
Cash and cash equivalents	1,15,55,014	-	1,15,55,014	23
Trade receivables	1,79,02,58,930	-	1,79,02,58,930	4
Due from related parties	3,11,59,173	-	3,11,59,173	3
Financial liabilities	-	-	-	0
Borrowings	-	5,82,77,022	5,82,77,022	19
Trade payables	-	1,28,14,22,637	1,28,14,22,637	4
Due to related parties	-	52,13,299	52,13,299	3
Other payables	-	2,45,30,773	2,45,30,773	5
31-Dec-15	**Loans and receivables (including cash and cash equivalents)**	**Financial liabilities at amortized cost**	**Carrying value**	**Note**
Financial assets				
Cash and cash equivalents	78,29,925	-	78,29,925	23
Trade receivables	1,41,38,65,807	-	1,41,38,65,807	4
Due from related parties	2,04,925	-	2,04,925	3
Other financial assets	227	-	227	5
Financial liabilities	-	-	-	0
Borrowings	-	6,82,83,809	6,82,83,809	19
Trade payables	-	76,86,56,979	76,86,56,979	4
Due to related parties	-	3,96,43,889	3,96,43,889	3
Other payables	-	3,08,01,017	3,08,01,017	5

(*)The Company management considers the carrying amount of financial assets approximate their fair values.

22. EVENTS AFTER THE REPORTING PERIOD

The Company signed new distributorships agreement with Hitachi.

23. NOTES ON STATEMENT OF CASH FLOWS

Particulars	31-Dec-16	31-Dec-15
(a) Cash on hand	98,021	8,321
(b) Balances with banks		
(i) In current accounts	1,14,56,993	78,21,604
Total	**1,15,55,014**	**78,29,925**

Explanations about the nature and level of risks related to cash and cash equivalents are provided in Note 20.

24. All figures are in Indian Rupees unless otherwise indicated

Rajprotim Supply Chain Solutions Limited

Balance Sheet as at 31 March 2017

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

	Note	As at 31 March 2017
Assets		
Non-current assets		
Property, plant and equipment	13	60.65
Intangible assets	14	352.17
Financial assets		
Deposits and other receivables	17	215.10
Deferred tax liabilities	12	2.74
Other non-current assets	18	59.13
Total non-current assets		**689.79**
Current assets		
Financial assets		
Trade receivables	15	1,358.07
Cash and cash equivalents	16	60.55
Deposits and other receivables	17	452.97
Other current assets	18	40.10
Total current assets		**1,911.69**
Total assets		**2,601.48**
Equity and liabilities		
Equity		
Equity share capital	19	833.33
Other equity		
Securities premium		466.67
Retained earnings		122.50
Total equity		**1,422.50**
Liabilities		
Non-current liabilities		
Provisions	25	5.35
Total non-current liabilities		**5.35**
Current liabilities		
Financial liabilities		
Borrowings	21	323.51
Trade payables	22	360.69
Other financial liabilities	23	404.98
Provisions	25	0.15
Current tax liabilities		50.33
Other current liabilities	24	33.97
Total current liabilities		**1,173.63**
Total liabilities		**1,178.98**
Total equity and liabilities		**2,601.48**
Significant accounting policies	3	

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

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

S Sethuraman
Partner
Membership No. 203491
Place: Chennai

Partha Pratim Banerjee
Director
DIN 00609961
Place: Chennai

Dr. R Arunachalam
Director
DIN 07562318

Rajprotim Supply Chain Solutions Limited

Balance Sheet as at 31 March 2017

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

	Note	As at 31 March 2017

Date: 16 May 2017

Date: 16 May 2017

Rajprotim Supply Chain Solutions Limited

Statement of Profit and Loss for the period ended 31 March 2017

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

	Note	Period ended 31 March 2017
Revenue		
Revenue from operations	6	3,431.91
Other Income	7	9.10
Total Revenue		**3,441.01**
Expenses		
Employee benefit expense	8	209.63
Finance costs	9	14.87
Depreciation and amortisation expense	10	27.51
Other expenses	11	3,001.44
Total expenses		**3,253.45**
Profit before tax		**187.56**
Income tax	12	
Current tax		67.80
Deferred tax		(2.74)
Income tax expense		**65.06**
Profit for the period		**122.50**
Total comprehensive income for the period		**122.50**
Earnings per share		
Basic and diluted earnings per share (in INR)		3.94
Significant accounting policies	3	

The accompanying notes from an integral part of 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

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

S Sethuraman
Partner
Membership No. 203491

Partha Pratim Banerjee
Director
DIN 00609961

Dr.R Arunachalam
Director
DIN 07562318

Place: Chennai
Date: 16 May 2017

Place: Chennai
Date: 16 May 2017

Rajprotim Supply Chain Solutions Limited

Statement of cash flow for the period ended 31 March 2017

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

	Note	Period ended 31 March 2017
Cash flow from operating activities		
Profit for the period		187.56
Adjustments for:		
Depreciation and amortisation	13 / 14	27.51
Finance costs	9	14.87
Interest income		(9.10)
		220.84
Working capital adjustments:		
Decrease/ (increase) in trade receivables		(1,358.07)
Decrease/ (increase) in deposits and other receivables and other current / non current assets		(758.05)
(Decrease)/ increase in trade payables and other financial liabilities		395.12
(Decrease)/ increase in provisions and other liabilities		39.32
Cash generated from / (used in) operating activities		**(1,460.84)**
Income tax paid (net)		(17.47)
Net cash generated from / (used in) operating activities (A)		**(1,478.31)**
Cash flow from investing activities		
Acquisition of property, plant and equipment		(69.78)
Net cash generated from / (used in) investing activities (B)		**(69.78)**
Cash flow from financing activities		
Proceeds from issue of share capital (including securities premium)		1,300.00
Interest paid		(14.87)
Net cash generated from / (used in) financing activities (C)		**1,285.13**
Net decrease in cash and cash equivalents (A+B+C)		**(262.96)**
Cash and cash equivalents as at 25 July, 2016		-
Cash and cash equivalents as at 31 March, 2017	16	**(262.96)**
Significant accounting policies	3	

The accompanying notes from an integral part of 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

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

S Sethuraman
Partner
Membership No. 203491

Partha Pratim Banerjee
Director
DIN 00609961

Dr. R Arunachalam
Director
DIN 07562318

Place: Chennai
Date: 16 May 2017

Place: Chennai
Date: 16 May 2017

Rajprotim Supply Chain Solutions Limited

Statement of changes in equity for the period ended 31 March 2017

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

Statement of changes in equity

(a) Equity share capital

Particulars	No. of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
Balance as at 25 July 2016	50,000	5.00
Shares issued during the year	82,83,333	828.33
Balance as at 31 March 2017	**83,33,333**	**833.33**

(b) Other equity

Particulars	Securities premium	Retained earnings	Total equity
As at 25 July 2016	**-**	**-**	**-**
Securities premium on shares issued during the year	466.67	-	466.67
Profit for the year	-	122.50	122.50
As at 31 March 2017	**466.67**	**122.50**	**589.17**

Significant accounting policies 3

The accompanying notes from an integral part of 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

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

S Sethuraman
Partner
Membership No. 203491

Partha Pratim Banerjee
Director
DIN 00609961

Dr. R Arunachalam
Director
DIN 07562318

Place: Chennai
Date: 16 May 2017

Place: Chennai
Date: 16 May 2017

Rajprotim Supply Chain Solutions Limited

Notes forming part of the financial statements for the period ended 31 March 2017

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

1 Background

Rajprotim Supply Chain Solutions Limited ('Rajprotim' / ' Company') was incorporated on 25 July 2016. The Company is a subsidiary of ProConnect Supply Chain Solutions Limited which in turn is a wholly owned subsidiary of Redington (India) Limited ('Redington'). The Company is engaged in the business of providing comprehensive Supply Chain Management ('SCM') and total logistics solutions services including warehousing management and allied services for various corporate customers.

2 Basis of preparation

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. Considering that the Company was incorporated during the year, these are the first annual financial statements of the Company for the period from the date of incorporation of the Company on 25 July, 2016 till 31 March, 2017 and consequently these financial statements do not include any comparatives as well as the disclosures surrounding transition to IndAS (refer note 4) as the same is not applicable to the Company.

These financial statements were authorised for issue by the Company's Board of Directors on 16 May 2017.

Details of the Company's accounting policies are included in Note 3

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs with two decimal points, unless otherwise stated.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

Items	Mearuement basis
- Certain financial assets and liabilities	Amortised cost

2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 29 - Acquisition of customer contracts

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2017 is included in the following notes:

- Note 25 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 26 – impairment of financial assets.

2 Basis of preparation (contd.)

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 26 – financial instruments

3 Significant accounting policies

3.1 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

3.2 Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

3 Significant accounting policies (contd.)

3.2 Financial instruments (contd.)

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at
− the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
− the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

3 Significant accounting policies (contd.)

3.2 Financial instruments (contd.)

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.3 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

` The estimated useful lives of items of property, plant and equipment for the current period are as follows:

Asset	Management estimate of useful life
Plant and Machinery	5 years
Computer and accessories	3 years
Furniture and fixtures	4 years
Office equipments	5 years

Based on technical evaluation, the management believes that useful as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets, is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation on additions (disposals) is provided from the month in which asset is ready for use (disposed of).

3 Significant accounting policies (contd.)

3.4 Intangible assets

i. Intangible assets

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Useful life
Customer contracts	5 years
Software	3-5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.5 Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is ‘credit - impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12 month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward - looking information.

3 Significant accounting policies (contd.)

3.5 Impairment (contd.)

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax 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. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

3.6 Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

3 Significant accounting policies (contd.)

3.6 Employee benefits (contd.)

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and employees state insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan (‘the asset ceiling’). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service (‘past service cost’ or ‘past service gain’) or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Company’s net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

3.7 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

3.8 Revenue recognition

i. Rendering of services

Service income mainly comprises of logistic services, warehousing charges, freight charges and other related charges for rendering supply chain management services to customers. Service income is recognised based on the terms of the agreement entered into with customers when the services are rendered. 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.

3 Significant accounting policies (contd.)

3.9 Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company’s Balance Sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.10 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company’s right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3 Significant accounting policies (contd.)

3.11 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is 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 the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax 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 are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised

3.12 Cash and cash equivalents

Cash and cash equivalent comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as other bank balances.

Rajprotim Supply Chain Solutions Limited

Notes forming part of the financial statements for the period ended 31 March 2017

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

4 Explanation of transition to Ind AS

As stated in Note 2, these are the Company’s first annual financial statements prepared in accordance with Ind AS. Considering that the Company was incorporated during the year, there we no financial statements that were prepared under prior to the current year and as such the disclosures relating to the transition to IndAS are not applicable to the Company. The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2017.

5 Operating segments

The Company is engaged in only one business namely providing comprehensive Supply Chain Management ('SCM') services. The entity’s chief operating decision maker considers the Company as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Company does not have multiple segments and these financial statements are reflective of the information required by the Ind AS 108 for SCM segment. The Company's operations are entitrely domiciled in India and as such all its non-current assets are located in India. All of the Company's customers are also located in India for whcih it earns revenues.

A. Major Customers

Revenue from customers that individually constituted more than 10% of the Group's revenue are as follows:

	Period ended 31 March 2017
Customer A	717.39

6 Revenue from operations

	Period ended 31 March 2017
Rendering of services	
Supply chain management services	3,431.91
	3,431.91

7 Other income

	Period ended 31 March 2017
Interest income under the effective interest method on	
Security deposits at amortised cost	9.10
	9.10

8 Employee benefit expense

	Period ended 31 March 2017
Salaries, wages and bonus	176.59
Contribution to provident and other funds	12.94
Expenses related to post-employment defined benefit plans (see note 25)	2.21
Expenses related to compensated absences (see note 25)	3.29
Staff welfare expenses	14.60
	209.63

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

9 Finance costs

	Period ended 31 March 2017
Interest on working capital loan	14.87
	14.87

10 Depreciation and amortisation expense

	Period ended 31 March 2017
Depreciation of property, plant and equipment (refer note 13)	6.61
Amortisation of intangible assets (refer note 14)	20.90
	27.51

11 Other expenses

	Period ended 31 March 2017
Warehouse handling charges	748.88
Rent	506.54
Freight charges	1,623.12
Utilities	8.29
Repairs and maintenance:	
Plant and machinery	2.18
Other assets	10.13
Security charges	34.69
Communication expenses	4.39
Travel and conveyence	14.42
Rates and taxes	12.89
Legal and professional charges	7.30
Insurance	0.46
Bank charges	1.72
Printing and stationery	21.80
Payment to auditors (see note (i) below)	3.00
Others	1.63
	3,001.44

i. Payment to auditors

	Period ended 31 March 2017
As auditor:	
Statutory audit	2.50
Tax audit	0.50
	3.00

ii. Details of corporate social responsibility expenditure

The Company does not meet the thresholds as specified under Section 135 of the Companies Act, 2013 and as such the requirements related to corporate social responsibility expenditure is not applicable.

Rajprotim Supply Chain Solutions Limited

Notes forming part of the financial statements for the period ended 31 March 2017

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

12 Income tax

A. Amounts recognized in profit or loss

	Period ended 31 March 2017
Current tax	
Current tax on profits for the year	67.80
Total current tax expense	**67.80**
Deferred tax	
Attributable to origination of temporary differences	(2.74)
Total deferred tax expense / (benefit)	**(2.74)**
Income tax expense	**65.06**

B. Reconciliation of effective tax rate

	Period ended 31 March 2017	
Profit before income tax expense		**187.56**
Tax using the Company's domestic tax rate	34.61%	64.91
Effect of:		
Non-deductible expenses	0.08%	0.15
Effective tax rate	**34.69%**	**65.06**

C. Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	As at 31 March 2017		
	Deferred tax (assets)	**Deferred tax liabilities**	**Net Deferred tax (assets) liabilities**
Property, plant and equipment	-	0.48	0.48
Intangible assets	-	9.03	9.03
Provision - employee benefits	(3.77)	-	(3.77)
Provision - others	(8.48)	-	(8.48)
Net deferred tax (assets) liabilities	**(12.25)**	**9.51**	**(2.74)**

Movement in temporary differences:

	Balance as at 25 July 2016	**Recognized in profit or loss during 2016-17**	**Balance as at 31 March 2017**
Property, plant and equipment	-	0.48	0.48
Intangible assets	-	9.03	9.03
Provision - employee benefits	-	(3.77)	(3.77)
Provision - others	-	(8.48)	(8.48)
	-	**(2.74)**	**(2.74)**

Rajprotim Supply Chain Solutions Limited

Notes forming part of the financial statements for the period ended 31 March 2017

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

13 Property, plant and equipment

	Plant and machinery	Office equipments	Furniture and fixtures	Computers and accessories	Total
Cost					
Balance at 25 July 2016	-	-	-	-	-
Additions	23.50	12.38	16.54	14.84	67.26
Disposals	-	-	-	-	-
Balance at 31 March 2017	**23.50**	**12.38**	**16.54**	**14.84**	**67.26**
Accumulated depreciation					
Balance at 25 July 2016	-	-	-	-	-
Additions	1.28	1.19	1.43	2.71	6.61
Disposals	-	-	-	-	-
Balance at 31 March 2017	**1.28**	**1.19**	**1.43**	**2.71**	**6.61**
Carring amounts (net)					
As at 25 July 2016	-	-	-	-	-
As at 31 March 2017	**22.22**	**11.19**	**15.11**	**12.13**	**60.65**

14 Intangible assets

	Software	Customer contracts*	Total
Cost			
Balance at July 25, 2016 (date of incorporation)	-	-	-
Additions	2.52	370.55	**373.07**
Disposals	-	-	-
Balance at 31 March 2017	**2.52**	**370.55**	**373.07**
Accumulated amortisation			
Balance at July 25, 2016 (date of incorporation)	-	-	-
Additions	0.46	20.44	20.90
Disposals	-	-	-
Balance at 31 March 2017	**0.46**	**20.44**	**20.90**
Carring amounts (net)			
As at July 25, 2016	-	-	-
As at 31 March 2017	**2.06**	**350.11**	**352.17**

*Refer note 29 for details of the acquisition of customer contracts

Rajprotim Supply Chain Solutions Limited

Notes forming part of the financial statements for the period ended 31 March 2017

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

15 Trade receivables

	As at 31 March 2017
Unsecured, considered good	1,358.07
Net trade receivables	**1,358.07**
Non-current	-
Current	1,358.07
	1,358.07

Of the above, trade receivables from related parties are as below:

Total trade receivables from related parties	(0.30)
Less : Loss allowance	-
	(0.30)

The group has pledged all current assets for availing short-term credit facilities. Refer note 21.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 26

16 Cash and cash equivalents

	As at 31 March 2017
Cash in hand	4.71
Balance with banks:	
- On current accounts	55.84
Cash and cash equivalents in balance sheet	**60.55**
Bank overdrafts and cash credit facilities used for cash management purposes	(323.51)
Cash and cash equivalents in the statements of cash flows	**(262.96)**

The group has pledged all current assets for availing short-term credit facilities. Refer note 21.

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

17 Deposits and other receivables

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2017
Non-current	
Security and other deposits	215.10
	215.10
Current	
Security and other deposits	22.15
Unbilled revenue	419.38
Others	11.44
	452.97

The group has pledged all current assets for availing short-term credit facilities. Refer note 21.

18 Other assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2017
Non-current	
Prepayments	50.33
Capital advances	8.80
	59.13
Current	
Balances with Statutory authorities	17.98
Prepayments	22.12
	40.10

The group has pledged all current assets for availing short-term credit facilities. Refer note 21.

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

19A Share capital

	As at 31 March 2017
Authorised	
10,000,000 equity shares of INR 10 each	1,000.00
Issued	
9,166,666 equity shares of INR 10 each	916.67
Subscribed and Paid-up	
8,333,333 equity shares of INR 10 each	833.33

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31 March 2017	
	No. of Shares	Amount
Equity shares		
At the commencement of the period	50,000	5.00
Share issued for cash	82,83,333	828.33
At the end of the period	**83,33,333**	**833.33**

All issued shares are fully paid up

Rights, preferences and restrictions 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 2017, the Company has not declared any dividend.

Shares held by holding / ultimate holding company and / or their subsidiaries / associates

	31 March 2017	
	No. of Shares	Amount
Equity shares of Rs. 10 each fully paid up held by ProConnect Supply Chain Solutions Limited and its nominees	63,33,333	633.33

Particulars of shareholder holding more than 5% shares of a class of shares

	31 March 2017	
	No. of Shares	% of total shares in class
Equity shares of Rs. 10 each fully paid up held by:		
- ProConnect Supply Chain Solutions Limited	63,33,333	76%
- Mr. Partha Pratim Banerjee	20,00,000	24%
	83,33,333	**100%**

19B Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

Rajprotim Supply Chain Solutions Limited

Notes forming part of the financial statements for the period ended 31 March 2017

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

20 Earnings per share

Basic and diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

i. Profit (loss) attributable to equity shareholders (basic and diluted)

	Period ended 31 March 2017
Profit (loss) for the year, attributable to the equity holders	122.50

ii. Weighted average number of equity shares (basic and diluted)

	Period ended 31 March 2017
Opening balance	-
Effect of fresh issue of shares for cash	31,12,000
Weighted average number of equity shares for the year	**31,12,000**

21 Borrowings

	As at 31 March 2017
Current borrowings	
Loans from banks	
Cash credit facilities	323.51
Total current borrowings	**323.51**

Information about the Company's exposure to interest rate, foreign currency and liquidity is provided in Note 26

Terms and repayment schedule

Terms and conditions of outstnading borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying amount at 31 March 2017
Cash credit	INR	10.00%	2017-18	323.51
				323.51

The cash credit facility is secured by hypothecation of all the current assets of the Company and term deposits with a carrying amount of INR 300 lakhs placed by the holding company with the bank.

Rajprotim Supply Chain Solutions Limited

Notes forming part of the financial statements for the period ended 31 March 2017

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

22 Trade payables

	As at 31 March 2017
Trade payables to related parties (refer note 30)	218.49
Other trade payables	142.20
	360.69

All trades payables are 'current'

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 26. Also refer Note 32 for disclosures required by Micro, Small and Medium Enterprises Development Act, 2006.

23 Other financial liabilities

	As at 31 March 2017
Employee benefits payable	33.00
Purchase consideration payable (also refer note 29)	370.55
Other payables	1.43
	404.98
Non current	-
Current	404.98
	404.98

Note :

The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in Note 26

24 Other liabilities

	As at 31 March 2017
Statutory liabilities	33.97
	33.97
Non current	-
Current	33.97
	33.97

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

25 Provisions

	Non current	Current
	As at 31 March 2017	**As at 31 March 2017**
Provision for employee benefit		
Liability for gratuity	2.21	-
Liability for compensated absences	3.14	0.15
	5.35	**0.15**

For details about the related employee benefit expenses, see Note 8

The Company operates the following post-employment defined benefit plans:

The Company has a defined benefit gratuity plan in India (the Plan), governed by the Payment of Gratuity Act, 1972. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee at the time of retirement, death or termination of employment. Liabilities for the same are determined through an actuarual valuation as at the reporting dates using the "projected unit cost method".

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A. Funding

The Plan is not funded by the Company.

B. Reconcilaition of the net defined beneift (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components

Reconciliation of present value of defined benefit obligation

	As at 31 March 2017
Balance at the beginning of the period	-
Benefits paid	-
Current service cost	2.21
Interest cost	-
Past service gain	-
Actuarial (gains) losses recognised in other comprehensive income	-
- changes in demographic assumptions	-
- changes in financial assumptions	-
- experience adjustments	-
Balance at the end of the year	**2.21**

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

25 Provisions (contd.)

C. Expense/ (income) recognised in the statement of profit or loss

	Period ended 31 March 2017
Current service cost	2.21
Interest cost	-
Past service gain	-
Interest income	-
	2.21

Remeasurements recognised in other comprehensive income

	As at 31 March 2017
Actuarial gain on defined benefit obligations	-
	-

D. Defined benefit obligation

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at 31 March 2017
Discount rate	7.50%
Future salary growth	5%
Attrition rate	2%

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (2006-08) Ult. mortality tables.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	As at 31 March 2017	
	Increase	**Decrease**
Discount rate (1% movement)	(0.40)	0.50
Future salary growth (1% movement)	0.50	(0.41)
Attrition rate (1% movement)	0.12	(0.13)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

Rajprotim Supply Chain Solutions Limited

Notes forming part of the financial statements for the period ended 31 March 2017

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

26 Financial instruments - Fair values and risk management

A. Accounting classification and fair values

	As at 31 March 2017			
	Note	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets not measured at fair value				
Trade receivables (refer note below)	15	-	-	1,358.07
Cash and cash equivalents (refer note below)	16	-	-	60.55
Unbilled revenue (refer note below)	17	-	-	419.38
Security deposits	17	-	-	237.25
Others (refer note below)	17	-	-	11.44
Total financial assets		**-**	**-**	**2,086.69**
Financial liabilities not measured at fair value				
Short term borrowings (refer note below)	21	-	-	323.51
Trade payables (refer note below)	22	-	-	360.69
Purchase consideration payable	23			370.55
Employee benefits payable (refer note below)	23	-	-	33.00
Others (refer note below)	23	-	-	1.43
Total financial liabilities		**-**	**-**	**1,089.18**

Note: The Company has not disclosed fair values of financial instruments such as trade receivables, unbilled revenue, cash and cash equivalents, trade and other payables, employee benefit payables, purchase consideration payable, because their carrying amounts are reasonable approximations of their fair values.

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

26 Financial instruments - Fair values and risk management (contd.)

A. Accounting classification and fair values (contd.)

Financial assets and liabilities measured at amortised cost

The financial instruments that have been measured at amortised costs are fair valued using Level 2 hierarchy. The Company has not disclosed the fair values for certain financial instruments measured at amortised costs (refer note 26A) because their carrying amounts are a reasonable approximation of fair value.

	As at 31 March 2017		
	Level 1	**Level 2**	**Level 3**
Financial assets not measured at fair value			
Security deposits	-	237.25	-
	-	**237.25**	**-**

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. 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 the Company's receivables from customers; loans and investments in debt securities.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables.

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

26 Financial instruments - Fair values and risk management (contd.)

ii. Credit risk (contd.)

The maximum exposure to credit risk for trade and other receivables are as follows:

	Carrying amount As at 31 March 2017
Trade receivables	1,358.07
Unbilled revenue	419.38
Total trade and unbilled revenue	**1,777.45**
Cash and bank balances	60.55
Security deposits	237.25
Other financial assets including investments	11.44
Total	**2,086.69**

Trade and unbilled revenue

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Receivables from customers that individually constituted more than 10% of the Company's receivables are as follows:

	As at 31 March 2017
Customer A	370.71

The ageing of trade receivables and unbilled revenue that were not impaired as at the reporting date was:

	As at 31 March 2017
Not due	1,286.84
Past due 1 -30 days	223.20
Past due 31 - 90 days	180.82
Past due 91 - 180 days	86.59
Total	**1,777.45**

26 Financial instruments - Fair values and risk management (contd.)

B. Financial risk management (contd.)

ii. Credit risk (contd.)

Cash and cash equivalents
The Group holds cash and cash equivalents of INR 60.55 lakhs at 31 March 2017. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

Security deposits
This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Company for carrying out its operations. The Company does not expect any losses from non-performance by these counter-parties.

iii. Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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 they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

		Contractual cash flows					
	Carrying amount	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
As at 31 March 2017							
Non derivative financial liabilities							
Secured loans:							
- Cash credit facilities	323.51	323.51	323.51	-	-	-	-
Trade payables	360.69	360.69	360.69	-	-	-	-
Purchase consideration payable	370.55	370.55	370.55				
Employee benefits payable	33.00	33.00	33.00	-	-	-	-
Other financial liabilities	1.43	1.43	1.43	-	-	-	-
	1,089.18	**1,089.18**	**1,089.18**	**-**	**-**	**-**	**-**

iv. Market risk
Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the Companies income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and optimising the return.

The Company is not exposed to foreign currency risks as its entire operations are domiciled in India and it does not have any transactions in currencies other than the Indian Rupee.

v. Interest rate risk
Interest rate risk is the risk that an upward movement in interest rate would adversely affect the borrowing costs. The Company manages interest rate risk by constantly monitoring the sensitivity of the financial liabilities to various standard and non-standard interest rate scenarios.

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Variable-rate instruments

	As at 31 March 2017
Financial liabilities- Secured loan	323.51
	323.51

Cash flow sensitivity for variable-rate instruments
A reasonably possible change of 100 basis points in interest rates at the reporting date would not have any material effect on the equity and profit or loss.

27 Operating leases

A. Leases as lessee

The Company has taken on lease a number of office and warehouse facilities under operating leases. The leases are for varied periods, which are renewable at the option of the Company.

i. Future minimum lease payments

At 31 March 2017, the future minimum lease payments to be made under non-cancellable operating leases are as follows:

	As at 31 March 2017
Payable in less than one year	370.08
Payable between one and five years	324.21
	694.29

28 Disclosure of specified bank notes

During the year, the Company had specified bank notes (SBN) and other denomination notes as defined in the MCA Notification G.S.R 308(E) dated 30 March, 2017 on the details of specified bank notes held and transacted during the period from 8 November, 2016 to 30 December, 2016. The denomination wise SBN and other notes as per the notification are given below:

Particulars	**SBNs**	**Other Denomination Notes**	**Total**
Closing cash in hand as on 8 November 2016	-	3.60	3.60
Add: Permitted receipts	-	6.10	6.10
Less: Permitted payments	-	0.34	0.34
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on 30 December 2016	**-**	**9.36**	**9.36**

For the purpose of this clause, the term specified bank note shall have the same meaning provided in the notification of the Government of India, the Ministry of Finance - Department of Economic Affairs No. S.O.3407 (E), dated November 8, 2016.

29 Acquisition of customer contracts from Rajprotim Agencies Private Limited ('RAPAL')

The Company entered into a Business Transfer and Share Subscription Agreement ('BTSSA) on 21 December 2016 with RAPAL and Mr. Partha Pratim Banerjee ('PPB') to acquire a set of identified 53 customer contracts from RAPAL for a fixed purchase consideration of Rs. 500 lakhs. Pursuant to such agreement RAPAL has transferred 38 contracts to the Company till 31 March 2017. The company has accounted for the transfer of the aforesaid customer contracts as acquisition of intangible assets and consequently capitalised a sum of 370.55 lakhs (refer note 14) with a corresponding liability for the same amount (refer note 23). These customer contracts will be amortised over a period of 5 years which represents the estimated useful life of the period over which the contracts are expected to provide economic benefits to the Company. The amount capitalised represents the proportionate value of the consideration payable for the contracts transferred to the Company as at 31 March 2017. Under the terms of the contract the purchase consideration is payable to RAPAL within a period of 90 days from the date of the transfer of the last identified customer contract. The Company expects to complete the transfer process in the forthcoming year and consequently pay out the purchase consideration noted above.

Rajprotim Supply Chain Solutions Limited

Notes forming part of the financial statements for the period ended 31 March 2017

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

30 Related parties

A. Parent and ultimate controlling party

Related parties with whom transactions have taken place during the year:

Nature of relationship	Name of the entity
Ultimate Holding Company	Redington (India) Limited
Holding Company	Pro-Connect Supply Chain Solutions Limited
Key managerial personnel	Mr. Partha Pratim Banerjee, Managing Director (MD)
	Mr. Kasi Viswanathan, Director
	Dr. R Arunachalam, Director
Entitiy controlled by the MD	Rajprotim Agencies Private Limited

B. Related party transactions

	Transaction value	Balance outstanding - Payable / (receivable)
	For the period ended 31 March 2017	As at 31 March 2017
Issue of shares including securities premium		
Holding Company	988.00	-
Managing Director	312.00	-
Purchase of services (freight, warehouse rent, handling charges and others)		
Entitiy controlled by the MD	2,048.02	216.54
Rental expenses		
Entitiy controlled by the MD	19.20	-
Any other expenses incurred on our behalf		
Entitiy controlled by the MD	8.99	1.95
Holding Company	225.24	0.30

None of the above balances is secured.

31 Transfer pricing

The Company has transactions with related parties. For the financial year 2016-17, 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.

Rajprotim Supply Chain Solutions Limited

Notes forming part of the financial statements for the period ended 31 March 2017

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

32 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.

Particulars	**As at 31 March 2017**
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-

33 There are no subsequent events that have occurred after the reporting period till the date of approval of these financial statements.

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

for and on behalf of the board of directors of
Rajprotim Supply Chain Solutions Limited

S Sethuraman
Partner
Membership No. 203491

Partha Pratim Banerjee
Director
DIN 00609961

Dr. R Arunachalam
Director
DIN 07562318

Place: Chennai
Date: 16 May 2017

Place: Chennai
Date: 16 May 2017