

Redington (India) Limited

Notes to the Statement of Audited Standalone / Consolidated Financial Results for the Quarter / Year Ended March 31, 2019

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of Redington (India) Limited (“the Company”) at their respective meetings held on May 21, 2019 and May 22, 2019.
2.
 - a. The above financial results have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules as amended from time to time, specified under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.
 - b. The figures of the previous periods have been regrouped / reclassified, wherever necessary, to conform to current period’s classification.
 - c. The figures for the quarter ended March 31, 2019 and March 31, 2018 as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the end of the third quarter of the relevant financial year.
3. The Company and its Subsidiaries (collectively referred to as “the Group”) are engaged primarily in the business of Distribution of Information Technology & Mobility products besides supply chain solutions and after sales service. As per Ind AS 108 “Operating Segments”, the disclosure of reportable segments, “India” and “Overseas” have been made in a manner consistent with internal reporting made to the Managing Director who is the Chief Operating Decision Maker for the Group.
4. During the quarter,
 - a. ProConnect Supply Chain Solutions Limited (ProConnect), a wholly-owned subsidiary had acquired 90% stake in Auroma Logistics Private Limited (ALPL).
 - b. The Company has made further investments in its wholly-owned subsidiary ProConnect Supply Chain Solutions Limited (ProConnect).
5. The Board of Directors at its meeting held on September 17, 2018, approved the proposal for buy-back of up to 11,120,000 equity shares of the Company at ₹ 125 per equity share for an aggregate amount not exceeding ₹ 139 Crores being 2.78% of the total paid up equity share capital. A Letter of Offer was made to all eligible shareholders. During the previous quarter, the Company completed the buy-back of 11,120,000 equity shares resulting in a reduction in the share capital and securities premium of the Company by ₹ 2.22 Crores and ₹ 136.78 Crores respectively.

Further, pursuant to the buy-back, the Company has also transferred an amount of ₹ 2.22 Crores from general reserve to capital redemption reserve in accordance with the provisions of the Companies Act, 2013. The transaction costs relating to buy-back amounting to ₹ 2.29 Crores was charged to Surplus in the Statement of Profit and Loss (Retained earnings) under other Equity.

6. Statement of Assets and Liabilities

(₹ in Crores)

Particulars	Standalone		Consolidated	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Audited	Audited	Audited	Audited
ASSETS				
Non-current assets				
Property, Plant and Equipment	83.84	90.81	186.87	185.99
Capital work-in progress	2.78	2.78	7.56	2.78
Goodwill	-	-	22.03	21.27
Other intangible assets	0.97	0.94	245.40	262.88
Intangible assets under development	30.27	12.06	30.27	17.57
Financial Assets				
Investments in Subsidiaries and Associate	638.45	605.06	-	-
Others financial assets	2.08	3.80	25.72	21.17
Deferred tax assets (net)	22.87	15.27	40.14	25.10
Income tax assets (net)	101.58	53.80	105.12	57.52
Other non-current assets	84.27	41.08	89.02	45.07
Total non-current assets	967.11	825.60	752.13	639.35
Current assets				
Inventories	1,532.97	1,089.48	3,859.17	3,106.62
Financial assets				
Investments	-	-	7.03	3.52
Trade receivables	2,381.26	2,218.15	6,278.56	6,041.93
Cash and cash equivalents	121.14	119.94	866.64	527.99
Other bank balances	0.15	0.15	10.55	13.28
Loans	32.00	34.90	44.00	46.90
Other financial assets	30.49	40.19	264.22	178.69
Other current assets	141.10	120.53	338.38	306.48
Total current assets	4,239.11	3,623.34	11,668.55	10,225.41
Assets held for sale	-	0.03	-	0.03
Total assets	5,206.22	4,448.97	12,420.68	10,864.79
EQUITY AND LIABILITIES				
Equity				
Share capital	77.82	80.03	77.82	80.03
Other equity	1,526.12	1,609.43	3,828.16	3,450.53
Equity attributable to the shareholders of the Company	1,603.94	1,689.46	3,905.98	3,530.56
Non-controlling interests	-	-	344.67	358.83
Total equity	1,603.94	1,689.46	4,250.65	3,889.39
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	0.94	-	24.54	4.23
Provisions	17.83	13.49	97.10	81.66
Deferred tax liabilities (net)	-	-	1.53	1.49
Others	-	-	7.00	0.16
Total non-current liabilities	18.77	13.49	130.17	87.54
Current liabilities				
Financial liabilities				
Borrowings	829.61	766.27	1,282.86	1,453.56
Trade payables	2,386.75	1,659.66	5,904.86	4,765.20
Other financial liabilities	173.07	187.42	204.00	211.49
Provisions	2.28	2.67	17.67	18.37
Current tax liabilities	-	-	32.44	26.21
Other current liabilities	191.80	130.00	598.03	413.03
Total current liabilities	3,583.51	2,746.02	8,039.86	6,887.86
Total liabilities	3,602.28	2,759.51	8,170.03	6,975.40
Total equity and liabilities	5,206.22	4,448.97	12,420.68	10,864.79

7. The Company's wholly-owned subsidiary, Redington Gulf FZE (RGF) carried out an impairment exercise of its investment in its subsidiary at Turkey, Arena Bilgisayar Sanayi Ve Ticaret A.S (Arena). Due to the deteriorating economic situation in Turkey, an impairment loss of ₹ 71.06 Crores was recognised during the previous quarter and the impairment charge has been disclosed as an exceptional item in the above financial results.
8. The Group has adopted Ind AS 115, Revenue from Contracts with Customers (which replaces earlier revenue recognition standards) with effect from April 1, 2018. The core principle of this standard is that the Group shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Under Ind AS 115, the Group recognizes 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.

The Group has applied Ind AS 115 retrospectively to each of the prior reporting periods. Accordingly, the information presented for the quarter ended March 31, 2018 and year ended March 31, 2018 has been restated.

Upon adoption of Ind AS 115, the Group has changed the accounting policy with respect to income from supplier rebate schemes. Income from supplier rebates was hitherto classified as part of revenue from operations. The Group has adjusted supplier rebates against purchase of traded goods.

The following table summarizes the impact of transition to Ind AS 115 on the amounts reported in the earlier periods:

Particulars	₹ In Crores			
	Standalone		Consolidated	
	Quarter ended	Year ended	Quarter ended	Year ended
	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
	Audited	Audited	Audited	Audited
Revenue from operations as reported in the earlier periods	3,847.41	15,262.58	11,314.04	43,459.41
Effect on adoption of Ind AS 115	(73.96)	(418.37)	(433.97)	(1,856.83)
Revenue from operations as per the above results	3,773.45	14,844.21	10,880.07	41,602.58
Purchases of traded goods as reported in the earlier periods	3,342.90	14,004.50	10,478.97	40,754.92
Effect on adoption of Ind AS 115	(73.96)	(418.37)	(433.97)	(1,856.83)
Purchase of traded goods as per the above results	3,268.94	13,586.13	10,045.00	38,898.09

The following table summarizes the impact of adopting Ind AS 115 on the Group's Financial Results for the Year / Quarter ended March 31, 2019 for each of the line items affected:

Year ended March 31, 2019

₹ In Crores

Particulars	Standalone			Consolidated		
	Amounts without adoption of Ind AS 115	Impact of Ind AS 115	As reported	Amounts without adoption of Ind AS 115	Impact of Ind AS 115	As reported
Revenue from operations	17,283.63	(432.42)	16,851.21	48,748.97	(2,212.82)	46,536.15
Purchases of traded goods	16,938.46	(432.42)	16,506.04	46,811.81	(2,212.82)	44,598.99

Quarter ended March 31, 2019

₹ In Crores

Particulars	Standalone			Consolidated		
	Amounts without adoption of Ind AS 115	Impact of Ind AS 115	As reported	Amounts without adoption of Ind AS 115	Impact of Ind AS 115	As reported
Revenue from operations	4,798.13	(106.20)	4,691.93	13,189.11	(606.43)	12,582.68
Purchases of traded goods	4,154.61	(106.20)	4,048.41	12,050.69	(606.43)	11,444.26

9. Subsequent to the Quarter, the Board of Directors have recommended a final dividend of ₹ 3.30/- per Equity share of ₹ 2/- each i.e., 165% of face value for the financial Year Ended March 31, 2019 (Previous Year ₹ 2.40/- per Equity Share of ₹ 2/- each - i.e., 120% of face value).

10. The Standalone and Consolidated financial results of the Company for the Quarter / Year ended March 31, 2019 have been filed with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and are available in Company's website www.redingtonindia.com.

For Redington (India) Limited

**Sd/-
Raj Shankar
Managing Director**

**Place: Chennai
Date: May 22, 2019**