

Redington (India) Limited

Notes to Statement of Unaudited Standalone / Consolidated Financial Results for the Quarter / Nine Months Ended December 31, 2018

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of Redington (India) Limited (“the Company”) at their respective meetings held on February 11, 2019 and February 12, 2019.
2. A Limited review of the unaudited standalone and consolidated financial results of the Company has been carried out by the statutory auditors. A similar review of the financial results of the Subsidiaries / Associate has been conducted by the respective statutory auditors.
3. a. The above financial results have been prepared in accordance with 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.
4. The Company and its Subsidiaries (collectively referred to as “the Group”) are engaged mainly 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.
5. During the quarter,
 - A. 28,630 equity shares of ₹ 2 each, at a premium of ₹ 77.30 per share were allotted to employees including employees of Subsidiary Companies under the ESOP Scheme, 2008. Consequently the paid up Equity Share Capital has increased by ₹ 0.006 Crores and Securities Premium by ₹ 0.22 Crores.
 - B. 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 devaluation of the Turkish Lira against USD, higher country risk rating and challenging business environment an impairment loss of ₹ 71.06 Crores was recognised during the current quarter and the impairment charge has been disclosed as an exceptional item in the above financial results.
 - C. Redington Gulf FZE (RGF), a wholly-owned subsidiary has acquired an additional 24.8% stake in its subsidiary Citrus Consulting Services FZ LLC (“Citrus”) for a consideration of AED 93,000. The current share-holding of RGF in Citrus is 84.8%.
6. In the previous quarter, the Board of Directors considered and approved the proposal for buy-back of upto 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 current 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.

7. 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.

Group has applied Ind AS 115 retrospectively to each of the prior reporting periods. Accordingly, the information presented for the quarter ended December 31, 2017, Nine Months ended December 31, 2017 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 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 December 31, 2017	Nine Months ended December 31, 2017	Year ended March 31, 2018	Quarter ended December 31, 2017	Nine Months ended December 31, 2017	Year ended March 31, 2018
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
Revenue from operations as reported in the earlier periods	4,012.81	11,415.17	15,262.58	11,727.84	32,143.81	43,459.41
Effect on adoption of Ind AS 115	(84.68)	(344.41)	(418.37)	(418.28)	(1,422.86)	(1,856.83)
Revenue from operations as per the above results	3,928.13	11,070.76	14,844.21	11,309.56	30,720.95	41,602.58
Purchases of traded goods as reported in the earlier periods	4,036.85	10,661.60	14,004.50	11,599.95	30,275.95	40,754.92
Effect on adoption of Ind AS 115	(84.68)	(344.41)	(418.37)	(418.28)	(1,422.86)	(1,856.83)
Purchase of	3,952.17	10,317.19	13,586.13	11,181.67	28,853.09	38,898.09

traded goods as per the above results						
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The following table summarizes the impact of adopting Ind AS 115 on the Group's Financial Results for the Nine Months / Quarter ended December 31, 2018 for each of the line items affected:

₹ In Crores

Nine Months ended December 31, 2018

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	12,485.50	(326.22)	12,159.28	35,559.86	(1,606.39)	33,953.47
Purchases of traded goods	12,783.86	(326.22)	12,457.64	34,761.12	(1,606.39)	33,154.73

₹ In Crores

Quarter ended December 31, 2018

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	4,539.21	(121.62)	4,417.59	13,213.45	(583.39)	12,630.06
Purchases of traded goods	4,622.95	(121.62)	4,501.33	13,101.70	(583.39)	12,518.31

8. The Standalone and Consolidated financial results of the Company for the Quarter / Nine Months ended December 31, 2018 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/-

Place: Chennai
Date: February 12, 2019

Raj Shankar
Managing Director