

## Redington (India) Limited

### Notes to the Statement of audited Standalone / Consolidated Financial Results for the Quarter / Year Ended March 31, 2020

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 June 10, 2020 and June 11, 2020.
2.
  - a. The above financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (‘Ind AS’) prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India, in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing regulations”). During the year, the Company has listed the Commercial papers in the bourses of BSE Limited (“BSE”) and pursuant to such listing, the standalone and consolidated financial results have been prepared also in accordance with Regulation 52 read with Regulation 63(2) 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, 2020 and March 31, 2019 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 Group is engaged primarily in the business of Distribution of Information Technology & Mobility products besides supply chain solutions and after sales service. As per Ind AS 108 “Operating Segments”, the disclosure of reportable segments, “India” and “Overseas” have been made in a manner consistent with internal reporting made to the Managing Director who is the Chief Operating Decision Maker for the Group.
4. The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The cumulative effect of initial application of the standard resulted in a reduction of ₹ 10.52 Crores in the retained earnings as on April 1, 2019, net of taxes. In the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation or amortisation cost for the right of use asset and finance cost for interest accrued on lease liability.

5. The Company and its Indian subsidiaries elected to exercise the option of reduced income-tax rates permitted under section 115BBA of Income-tax Act 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, provision for income tax for the year ended March 31, 2020 has been recognized and deferred tax assets are re-measured, basis the rate prescribed in the said section. The full impact of this change has been recognized in the statement of profit and loss for the year ended March 31, 2020

6. During this quarter,
- a. The Board of Directors has declared and paid an interim dividend of ₹ 2.80 per Equity Share of ₹ 2/- each i.e., 140% of face value per share.
  - b. The Company's 100% subsidiary ProConnect Supply Chains Solutions Limited (ProConnect) has acquired the balance 10% stake in its step-down subsidiary, Auroma Logistics Private Limited (Auroma). With this acquisition, Auroma becomes a wholly-owned subsidiary of ProConnect.
7. Impact of COVID-19:

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. In view of the pandemic relating to COVID-19, the Group has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including trade receivables, inventories and other current / non-current assets (net of provisions established) for any possible impact on the financial results. The Group has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment, this situation does not materially impact these financial results of the Group. The Group will continue to closely monitor any material changes to future economic conditions.

## 8. Statement of Assets and Liabilities:

Particulars	₹. In Crores			
	Standalone		Consolidated	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	Audited	Audited	Audited	Audited
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	28.22	83.84	174.11	186.87
Capital work-in progress	-	2.78	0.06	7.56
Right-of-use-assets	23.24	-	230.26	-
Investment property	51.81	-	-	-
Goodwill	-	-	18.38	22.03
Other intangible assets	36.26	0.97	291.67	245.40
Intangible assets under development	-	30.27	11.41	30.27
Financial Assets				
Investments in Subsidiaries and Associate	644.67	638.45	-	-
Others financial assets	2.68	2.08	20.24	25.72
Deferred tax assets (net)	18.10	22.87	29.95	40.14
Income tax assets (net)	130.35	101.58	147.93	105.12
Other non-current assets	72.89	84.27	78.56	89.02
<b>Total non-current assets</b>	<b>1,008.22</b>	<b>967.11</b>	<b>1,002.57</b>	<b>752.13</b>
<b>Current assets</b>				
Inventories	1,118.38	1,532.97	3,672.76	3,859.17
<b>Financial assets:</b>				
Investments	-	-	-	7.03
Trade receivables	2,805.58	2,381.26	7,032.00	6,278.56
Cash and cash equivalents	617.33	121.14	2,343.54	866.64
Other bank balances	0.25	0.15	33.54	10.55
Loans	-	32.00	2.00	44.00
Other financial assets	46.71	30.49	199.67	264.22
Other current assets	117.19	141.10	370.15	338.38
<b>Total current assets</b>	<b>4,705.44</b>	<b>4,239.11</b>	<b>13,653.66</b>	<b>11,668.55</b>
<b>Total assets</b>	<b>5,713.66</b>	<b>5,206.22</b>	<b>14,656.23</b>	<b>12,420.68</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	77.82	77.82	77.82	77.82
Other equity	1,723.97	1,526.12	4,231.03	3,828.16
<b>Equity attributable to the shareholders of the Company</b>	<b>1,801.79</b>	<b>1,603.94</b>	<b>4,308.85</b>	<b>3,905.98</b>
Non-controlling interests	-	-	381.27	344.67
<b>Total equity</b>	<b>1,801.79</b>	<b>1,603.94</b>	<b>4,690.12</b>	<b>4,250.65</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	-	0.94	-	24.54
Lease liabilities	17.14	-	164.53	-
Others	-	-	0.38	7.00
Provisions	26.14	17.83	124.76	97.10
Deferred tax liabilities (net)	-	-	4.90	1.53
<b>Total non-current liabilities</b>	<b>43.28</b>	<b>18.77</b>	<b>294.57</b>	<b>130.17</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	1,172.30	829.61	2,537.48	1,282.86
Lease liabilities	10.37	-	72.70	-
Trade payables	-	-	-	-
(A) total outstanding dues of micro enterprises and small enterprises	34.24	92.21	34.63	92.21
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	2,268.91	2,294.54	6,240.52	5,812.65
Other financial liabilities	140.15	173.07	184.79	204.00
Other current liabilities	197.07	191.80	486.94	598.03
Provisions	2.36	2.28	20.94	17.67
Current tax liabilities	43.19	-	93.54	32.44
<b>Total current liabilities</b>	<b>3,868.59</b>	<b>3,583.51</b>	<b>9,671.54</b>	<b>8,039.86</b>
<b>Total liabilities</b>	<b>3,911.87</b>	<b>3,602.28</b>	<b>9,966.11</b>	<b>8,170.03</b>
<b>Total equity and liabilities</b>	<b>5,713.66</b>	<b>5,206.22</b>	<b>14,656.23</b>	<b>12,420.68</b>

## 9. Statement of Cash flows

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>₹. In Crores</b>				
<b>A. Cash flow from operating activities</b>				
Profit for the year	489.60	152.14	533.92	484.47
Adjustments for:				
- Income tax expense recognised in profit and loss	136.20	73.64	158.36	138.87
- Depreciation and amortisation expense	26.22	12.30	155.40	63.36
- Finance costs	104.81	121.59	219.06	204.15
- Interest income	(1.26)	(4.34)	(22.73)	(21.80)
- Stock compensation expense	4.43	8.26	10.76	16.71
- Impairment of goodwill and other intangibles	-	-	4.68	71.06
- Allowance for doubtful receivables and other financial assets	47.51	37.28	100.00	66.94
- Dividend income from subsidiaries	(350.35)	(18.54)	-	-
- Income received from short-term investments	(2.37)	(1.97)	(3.26)	(2.36)
- Unrealised exchange loss / (gain) (net)	(3.85)	0.98	(6.26)	0.35
- Gain on sale of property, plant and equipment (net)	(0.75)	(3.95)	(0.96)	(4.02)
<b>Operating profit before working capital changes</b>	<b>450.19</b>	<b>377.39</b>	<b>1,148.97</b>	<b>1,017.73</b>
(Increase) in trade receivables	(450.25)	(197.84)	(449.14)	(57.29)
Decrease / (Increase) in other assets	29.74	(51.71)	83.06	(139.52)
Decrease / (Increase) in inventories	414.59	(443.49)	405.72	(653.56)
(Decrease) / Increase in other liabilities	8.45	20.62	(208.28)	84.78
(Decrease) / Increase in trade payables	(100.66)	745.19	101.19	1,008.25
Increase in provisions	3.39	1.01	12.06	9.05
<b>Cash generated from operations</b>	<b>355.45</b>	<b>451.17</b>	<b>1,093.58</b>	<b>1,269.44</b>
Income taxes paid (net)	(115.76)	(127.98)	(127.93)	(201.00)
<b>Net cash generated from operating activities</b>	<b>239.69</b>	<b>323.19</b>	<b>965.65</b>	<b>1,068.44</b>
<b>B. Cash flow from investing activities</b>				
Payment towards acquisition of property, plant and equipment	(15.80)	(5.02)	(47.15)	(30.81)
Payment towards acquisition of other intangible assets	(16.33)	(31.21)	(36.65)	(51.22)
Proceeds from sale of property, plant and equipment and other intangible assets	1.10	5.17	3.56	9.03
Interest received	1.76	4.55	19.47	19.51
Dividend income from Subsidiaries	350.35	18.54	-	-
Income received from short-term investments	2.37	1.97	2.37	1.97
Loans given to subsidiary / associate	(33.10)	(68.40)	(33.10)	(63.40)
Loans settled by subsidiary / associate	58.20	71.30	58.20	66.30
Proceeds from sale of mutual fund investments	-	-	74.32	40.95
Purchase of mutual fund investments	-	-	(66.44)	(44.45)
Changes in bank deposits not treated as cash and cash equivalents	-	-	(22.12)	7.27
Investment in subsidiaries	-	(25.00)	-	-
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	-	(10.00)	(33.78)
Cash outflow for disposal of subsidiaries	-	-	-	(4.17)
Cash outflow for acquisition of additional control in step-down subsidiaries (net)	-	-	-	(11.60)
<b>Net cash used in investing activities</b>	<b>348.55</b>	<b>(28.10)</b>	<b>(57.54)</b>	<b>(94.40)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from short-term borrowings	1,187.15	768.76	2,023.26	860.65
Repayment of short-term borrowings	(863.16)	(692.90)	(920.37)	(1,064.94)
Proceeds from long-term borrowings	-	2.66	15.52	17.66
Repayment of long-term borrowings	(2.42)	(1.06)	(3.93)	(1.06)
Proceeds from allotment of shares under Employee Stock Option Plan, 2008	0.05	0.24	0.05	0.24
Buy-back expenses	-	(2.29)	-	(2.29)
Buy-back of equity shares	-	(139.00)	-	(139.00)
Dividends paid (including dividend distribution tax paid net of dividend distribution tax credit)	(295.70)	(111.96)	(352.97)	(113.14)
Dividend paid by step-down subsidiary to non-controlling shareholders	-	-	(6.43)	(4.31)
Finance costs paid	(102.81)	(120.57)	(208.06)	(203.75)
Acquisition of non-controlling interest	-	-	(11.00)	-
Payment of finance lease obligations	-	-	-	(0.75)
Payment of lease liabilities	(10.81)	-	(92.81)	-
<b>Net cash used in financing activities</b>	<b>(87.70)</b>	<b>(296.12)</b>	<b>443.26</b>	<b>(650.69)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>500.54</b>	<b>(1.03)</b>	<b>1,351.37</b>	<b>323.35</b>
Cash and cash equivalents at the beginning of the year	116.79	117.82	816.11	492.09
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	-	-	111.82	0.67
<b>Cash and cash equivalents at the end of the year</b>	<b>617.33</b>	<b>116.79</b>	<b>2,279.30</b>	<b>816.11</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet</b>				
<b>Cash and cash equivalents at the end of the period as per Balance Sheet</b>	617.33	121.14	2,343.54	866.64
Less: Bank overdrafts and cash credit facilities used for cash management purposes	-	4.35	64.24	50.53
<b>Cash and Cash equivalents at the end of the period</b>	<b>617.33</b>	<b>116.79</b>	<b>2,279.30</b>	<b>816.11</b>

10. During the year ended March 31, 2020, the Company listed its commercial papers in the bourses of BSE and pursuant to such listing below are the details of Redington (India) Limited on a standalone basis pursuant to Regulation 52(4) of the Listing regulations:

- a. Commercial papers ('CPs') issued by the Company are rated CRISIL A1+ & ICRA A1+
- b. The details of previous due date for payment of interest / repayment of principal of CPs are not applicable.
- c. The details of next due date (after March 31, 2020) for payment of interest / repayment of principal along with amount due is given in the below table:

S. No.	Series	ISIN	Next due date for payment of interest	Next interest amount (₹ in crores)	Next due date for repayment of principal	Next principal redemption amount (₹ in crores)
1	RIL/2019-20/085	INE891D14VD1	22-May-20	1.40	22-May-20	98.60
2	RIL/2019-20/086	INE891D14VE9	28-May-20	1.44	28-May-20	98.56
3	RIL/2019-20/087	INE891D14VE9	28-May-20	1.45	28-May-20	98.55
4	RIL/2019-20/089	INE891D14VG4	05-Jun-20	1.44	05-Jun-20	98.56

d. Other information:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Debt service coverage ratio (no. of times) [refer note (a)]	3.55	2.70
Interest service coverage ratio (no. of times) [refer note (b)]	3.63	2.70
Debt equity ratio [refer note (c)]	0.48	0.73
Asset cover ratio (no. of times) [refer note (d)]	2.54	2.92
Net worth [refer note (e)] (₹ in crores)	1,801.79	1,603.94
Capital redemption reserve (₹ in crores)	2.22	2.22
Earnings per share (EPS)		
(a) Basic EPS (₹)	12.58	3.84
(b) Diluted EPS (₹)	12.58	3.84
Net profit after tax	489.60	152.14

Formulae for calculation of ratios are as follows:

- (a) Debt service coverage ratio = (Profit/(loss) before tax – Dividend income + Interest expenses) / (Interest expenses + Repayment of Long term loans during the year)  
For the purpose of calculation, loans having original maturity of more than 360 days are considered as Long term loans.
- (b) Interest service coverage ratio = (Profit/(loss) from ordinary activities before tax – Dividend income + Interest expenses) / Interest expenses.
- (c) Debt equity ratio = (Total debt – Cash and cash equivalents) / (Total equity – Investments)
- (d) Asset cover ratio = ((Total assets - intangible assets) - (Current liabilities - Short term debts)) / Total debts
- (e) Net worth = Equity share capital + Other equity

11. The Standalone and Consolidated financial results of the Company for the Quarter / Year Ended March 31, 2020 have been filed with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and are available in Company's website [www.redingtongroup.com](http://www.redingtongroup.com).

**For Redington (India) Limited**

**Place : Chennai**  
**Date : June 11, 2020**

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