

Redington (India) Limited**Notes to the Statement of unaudited Standalone / Consolidated Financial Results for the Quarter / Half-Year Ended September 30, 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 November 4, 2019 and November 5, 2019.
2. The above financial results comprise the unaudited results of the Company and its subsidiaries (collectively referred to as ‘the Group’) and the Group’s interest in its associates.
3. 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, as applicable.
4. a. The above financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. The figures of the previous periods have been regrouped / reclassified, wherever necessary, to conform to current period’s classification.
5. 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.
6. The Group has adopted Ind AS 116, effective annual reporting period beginning April 01, 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 01, 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 01, 2019.

The cumulative effect of initial application of the standard resulted in a reduction of ₹ 12.76 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 cost for the right of use asset and finance cost for interest accrued on lease liability.

7. 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 six months ended September 30, 2019 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 quarter and six months ended September 30, 2019

8. Statement of Assets and Liabilities:

₹. In Crores

Particulars	Standalone		Consolidated	
	As at September 30, 2019	As at March 31, 2019	As at September 30, 2019	As at March 31, 2019
	Unaudited	Audited	Unaudited	Audited
ASSETS				
Non-current assets				
Property, Plant and Equipment	85.19	83.84	179.32	186.87
Capital work-in progress	-	2.78	1.42	7.56
Right-of-use-assets	25.69	-	293.64	-
Goodwill	-	-	21.82	22.03
Other intangible assets	28.07	0.97	268.81	245.40
Intangible assets under development	-	30.27	6.25	30.27
Financial Assets				
Investments in Subsidiaries and Associate	641.35	638.45	-	-
Others financial assets	1.64	2.08	26.30	25.72
Deferred tax assets (net)	20.67	22.87	44.25	40.14
Income tax assets (net)	105.46	101.58	115.93	105.12
Other non-current assets	85.10	84.27	89.36	89.02
Total non-current assets	993.17	967.11	1,047.10	752.13
Current assets				
Inventories	1,415.65	1,532.97	3,569.55	3,859.17
Financial assets				
Investments	-	-	14.01	7.03
Trade receivables	2,871.26	2,381.26	6,554.33	6,278.56
Cash and cash equivalents	158.67	121.14	844.72	866.64
Other bank balances	0.15	0.15	89.28	10.55
Loans	13.00	32.00	25.00	44.00
Other financial assets	16.41	30.49	169.55	264.22
Other current assets	160.57	141.10	502.30	338.38
Total current assets	4,635.71	4,239.11	11,768.74	11,668.55
Total assets	5,628.88	5,206.22	12,815.84	12,420.68
EQUITY AND LIABILITIES				
Equity				
Equity share capital	77.82	77.82	77.82	77.82
Other equity	1,591.64	1,526.12	3,976.39	3,828.16
Equity attributable to the shareholders of the Company	1,669.46	1,603.94	4,054.21	3,905.98
Non-controlling interests	-	-	355.83	344.67
Total equity	1,669.46	1,603.94	4,410.04	4,250.65
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	0.75	0.94	36.75	24.54
Lease liabilities	20.27	-	215.64	-
Others	-	-	6.93	7.00
Provisions	24.00	17.83	111.64	97.10
Deferred tax liabilities (net)	-	-	0.14	1.53
Total non-current liabilities	45.02	18.77	371.10	130.17
Current liabilities				
Financial liabilities				
Borrowings	750.52	829.61	1,301.70	1,282.86
Lease liabilities	8.66	-	90.54	-
Trade payables				
(A) Dues of micro enterprises and small enterprises	83.05	92.21	83.05	92.21
(B) Dues of creditors other than micro enterprises and small enterprises	2,703.09	2,294.54	5,822.00	5,812.65
Other financial liabilities	170.86	173.07	245.91	204.00
Other current liabilities	195.95	191.80	440.56	598.03
Provisions	2.27	2.28	17.33	17.67
Current tax liabilities	-	-	33.61	32.44
Total current liabilities	3,914.40	3,583.51	8,034.70	8,039.86
Total liabilities	3,959.42	3,602.28	8,405.80	8,170.03
Total equity and liabilities	5,628.88	5,206.22	12,815.84	12,420.68

9. Statement of Cash flows

Particulars	₹. In Crores			
	Standalone		Consolidated	
	For the period ended September 30, 2019	For the year ended March 31, 2019	For the period ended September 30, 2019	For the year ended March 31, 2019
A. Cash flow from operating activities				
Profit for the year	196.83	152.14	242.83	484.47
Adjustments for:				
- Income tax expense recognised in profit and loss	52.96	73.64	55.33	138.87
- Depreciation and amortisation expense	13.09	12.30	80.30	63.36
- Finance costs	65.08	121.59	128.12	204.15
- Interest income	(0.94)	(4.34)	(16.49)	(21.80)
- Stock compensation expense	2.50	8.26	5.45	16.71
- Impairment of goodwill and other intangibles	-	-	1.08	71.06
- Provision no longer required written back	-	-	(0.32)	-
- Allowance for doubtful receivables and other financial assets	15.09	37.28	21.61	66.94
- Dividend income from subsidiaries	(135.97)	(18.54)	-	-
- Income received from short-term investments	(1.00)	(1.97)	(1.43)	(2.36)
- Unrealised exchange loss / (gain) (net)	(9.41)	0.98	(10.76)	0.35
- Gain on sale of property, plant and equipment (net)	(0.33)	(3.95)	(0.55)	(4.02)
Operating profit before working capital changes	197.90	377.39	505.17	1,017.73
(Increase) in trade receivables	(498.17)	(197.84)	(265.83)	(57.29)
(Increase) in other assets	(6.03)	(51.71)	(13.61)	(139.52)
Decrease / (Increase) in inventories	117.32	(443.49)	343.82	(653.56)
Increase / (Decrease) in other liabilities	36.67	20.62	(105.21)	84.78
Increase / (Decrease) in trade payables	384.46	745.19	(79.75)	1,008.25
Increase in provisions	0.88	1.01	3.69	9.05
Cash generated from operations	233.03	451.17	388.28	1,269.44
Income taxes paid (net)	(53.74)	(127.98)	(77.22)	(201.00)
Net cash generated from operating activities	179.29	323.19	311.06	1,068.44
B. Cash flow from investing activities				
Payment towards acquisition of property, plant and equipment	(2.02)	(5.02)	(30.20)	(30.81)
Payment towards acquisition of other intangible assets	(6.07)	(31.21)	(6.07)	(51.22)
Proceeds from sale of property, plant and equipment and other intangible assets	0.44	5.17	0.83	9.03
Interest received	1.03	4.55	17.29	19.51
Dividend income from Subsidiaries	135.97	18.54	-	-
Income received from short-term investments	1.00	1.97	1.00	1.97
Loans given to associate	(18.00)	(68.40)	(18.00)	(63.40)
Loans settled by associate	32.00	71.30	32.00	66.30
Proceeds from sale of mutual fund investments	-	-	30.30	40.95
Purchase of mutual fund investments	-	-	(37.30)	(44.45)
Changes in bank deposits not treated as cash and cash equivalents	-	-	(76.28)	7.27
Investments in subsidiaries	-	(25.00)	-	-
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	-	-	(33.78)
Cash outflow for disposal of subsidiaries	-	-	-	(4.17)
Cash outflow for acquisition of additional control in step-down subsidiaries (net)	-	-	(7.00)	(11.60)
Net cash used in investing activities	144.35	(28.10)	(93.43)	(94.40)
C. Cash flow from financing activities				
Proceeds from short-term borrowings (net)	507.98	768.76	4,648.24	860.65
Repayment of short-term borrowings	(597.62)	(692.90)	(4,641.67)	(1,064.94)
Proceeds from long-term borrowings	-	2.66	19.87	17.66
Repayment of long-term borrowings	(0.24)	(1.06)	(0.24)	(1.06)
Proceeds from allotment of shares under Employee Stock Option Plan, 2008	-	0.24	-	0.24
Buy-back expenses	-	(2.29)	-	(2.29)
Buy-back of equity shares	-	(139.00)	-	(139.00)
Dividends paid (including dividend distribution tax)	(128.40)	(111.96)	(128.72)	(113.14)
Dividend paid by step-down subsidiary to non-controlling shareholders	-	-	-	(4.31)
Finance costs paid	(63.21)	(120.57)	(122.19)	(203.75)
Net proceeds from finance lease obligations	-	-	2.34	-
Payment of finance lease obligations	(5.23)	-	(44.56)	(0.75)
Net cash used in financing activities	(286.72)	(296.12)	(266.93)	(650.69)
Net increase/(decrease) in cash and cash equivalents	36.92	(1.03)	(49.30)	323.35
Cash and cash equivalents at the beginning of the period	116.79	117.82	816.11	492.09
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	-	-	17.17	0.67
Cash and cash equivalents at the end of the period	153.71	116.79	783.98	816.11
Reconciliation of Cash and cash equivalents with the Balance Sheet				
Cash and cash equivalents at the end of the period as per Balance Sheet	158.67	121.14	844.72	866.64
Less: Bank overdrafts and cash credit facilities used for cash management purposes	4.96	4.35	60.74	50.53
Cash and Cash equivalents at the end of the period	153.71	116.79	783.98	816.11



Pursuant to the amendment to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to presentation of statement of cash flows for the half year period with effect from April 01, 2019, the statement of cash flows for the half year ended September 30, 2019 has been presented above. Considering that this is the first year of applicability of the aforesaid statement, the comparative information is provided for the previous year ended March 31, 2019.

10. The Standalone and Consolidated financial results of the Company for the Quarter / Half-Year Ended September 30, 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.redingtongroup.com.

For Redington (India) Limited

Sd/-

**Raj Shankar
Managing Director**

Place: Chennai

Date: November 5, 2019