Redington International Mauritius Limited and its Subsidiaries - Mauritius

Report and consolidated financial statements for the year ended 31 March 2021

Redington International Mauritius Limited and its Subsidiaries - Mauritius

Table of contents	Page

Deloitte & Touche (M.E.)
Building 3, Level 6
Emaar Square
Downtown Dubai
P.O. Box 4254
Dubai
United Arab Emirates

Tel: +971 (0) 4 376 8888
Fax:+971 (0) 4 376 8899
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Redington International Mauritius Limited
Ebene
Mauritius

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Redington International Mauritius Limited, Mauritius** (the "Company") and its Subsidiaries (the "Group") which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2021, and of its financial performance and 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 Group's consolidated financial statements, 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 Directors for the Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are 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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

Cont'd…

Deloitte.

INDEPENDENT AUDITOR'S REPORT

to the Board of Directors of Redington International Mauritius Limited (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 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 consolidated 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.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represents 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.

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 shareholder 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 & Touche (M.E.)

Cynthia Corby
Registration No.: 995
25 May 2021
Dubai
United Arab Emirates

Consolidated statement of financial position
as at 31 March 2021

	Notes	2021 US$	2020 US$
ASSETS			
Non-current assets			
Property and equipment	6	**8,505,237**	9,963,299
Other intangible assets	7	**30,302,285**	32,826,804
Right-of-use assets	21	**16,503,067**	18,733,999
Goodwill	8	**349,559**	349,559
Deferred tax asset	9(b)	**730,127**	620,948
Total non-current assets		**56,390,275**	62,494,609
Current assets			
Due from related parties	20	**22,423,742**	18,873,778
Inventories	10	**230,785,787**	295,450,387
Trade and other receivables	11	**510,755,165**	492,484,320
Other financial assets	12	**73,695,900**	1,280,001
Cash and cash equivalents	13	**281,896,641**	184,371,373
Property held for sale		**1,080,951**	-
Total current assets		**1,120,638,186**	992,459,859
Total assets		**1,177,028,461**	1,054,954,468
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**27,668,025**	27,668,025
Share premium		**33,731,903**	33,731,903
Capital reserve	15	**45,655,936**	45,655,936
Equity-settled employee benefits reserve		**2,866,545**	2,866,545
Cumulative translation adjustment reserve		**(10,129,674)**	(7,280,044)
Re-measurement of defined benefit obligation		**(773,659)**	(645,790)
Retained earnings	16	**310,809,460**	252,132,491
Equity attributable to equity holders of the Company		**409,828,536**	354,129,066
Non-controlling interests	1(i)	**51,015,014**	50,388,801
Total equity		**460,843,550**	404,517,867
Non-current liabilities			
Employees' end-of-service indemnity	17	**12,699,215**	11,637,253
Lease liabilities, non-current portion	21	**11,364,615**	12,964,811
Deferred tax liability	9(b)	**376,176**	647,517
Total non-current liabilities		**24,440,006**	25,249,581
Current liabilities			
Bank borrowings	18	**53,712,427**	159,771,643
Due to a related party	20	**5,750**	-
Trade and other payables	19	**625,229,533**	456,570,079
Lease liabilities, current portion	21	**4,057,715**	4,551,500
Income tax payable	9(a)	**8,739,480**	4,293,798
Total current liabilities		**691,744,905**	625,187,020
Total liabilities		**716,184,911**	650,436,601
Total equity and liabilities		**1,177,028,461**	1,054,954,468

Director

The accompanying notes form an integral part of these consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2021

	Notes	2021 US$	2020 US$
Trading revenue		**3,964,475,205**	3,908,877,403
Service revenue		**78,186,735**	77,593,608
Other income - net		**7,181,875**	2,206,658
Total revenue		**4,049,843,815**	3,988,677,669
Changes in inventories of finished goods		**3,815,054,783**	3,774,583,534
Employee benefits		**79,611,970**	75,892,564
Finance costs		**13,170,474**	12,942,925
Depreciation and amortization expenses	23	**12,059,481**	10,763,424
Impairment losses	24	**851,100**	155,198
Other expenses	22	**50,369,275**	59,318,571
Total expenses		**3,971,117,083**	3,933,656,216
Profit before tax		**78,726,732**	55,021,453
Income tax expense	9(c)	**(15,823,278)**	(7,770,324)
Profit for the year		**62,903,454**	47,251,129
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Transfer to cumulative translation adjustment reserve		**(5,379,877)**	(1,758,272)
Re-measurement of defined benefit obligation		**(127,869)**	(381,158)
Total comprehensive income for the year		**57,395,708**	45,111,699
Profit for the year attributable to:			
Equity holders of the Company		**58,831,940**	44,401,775
Non-controlling interests	1 (i)	**4,071,514**	2,849,354
		62,903,454	47,251,129
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**55,854,441**	42,605,103
Non-controlling interests		**1,541,267**	2,506,596
		57,395,708	45,111,699

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
for the year ended 31 March 2021

	Share capital US$	Share premium US$	Capital reserve US$	Equity settled employee benefits reserve US$	Cumulative translation adjustment reserve US$	Re-measurement of defined benefit obligation US$	Retained earnings US$	Equity attributable to equity holders of the Company US$	Non-controlling interests US$	Total US$
Balance as at 31 March 2019	27,668,025	33,731,903	45,655,936	2,264,132	(5,864,530)	(264,632)	254,543,400	357,734,234	48,789,203	406,523,437
Cumulative effect of first-time adoption of IFRS 16	-	-	-	-	-	-	(214,684)	(214,684)	-	(214,684)
As at 1 April 2019 – restated	27,668,025	33,731,903	45,655,936	2,264,132	(5,864,530)	(264,632)	254,328,716	357,519,550	48,789,203	406,308,753
Profit for the year	-	-	-	-	-	-	44,401,775	44,401,775	2,849,354	47,251,129
Re-measurement of defined benefit obligation (Note 17)	-	-	-	-	-	(381,158)	-	(381,158)	-	(381,158)
Cumulative translation adjustment reserve	-	-	-	-	(1,415,514)	-	-	(1,415,514)	(342,758)	(1,758,272)
Total comprehensive income for the year	-	-	-	-	(1,415,514)	(381,158)	44,401,775	42,605,103	2,506,596	45,111,699
Dividend declared to Parent Company (Note 30)	-	-	-	-	-	-	(46,598,000)	(46,598,000)	-	(46,598,000)
Dividend declared to non-controlling interest (Note 30)	-	-	-	-	-	-	-	-	(906,998)	(906,998)
Stock appreciation rights granted to employees (Note 25)	-	-	-	602,413	-	-	-	602,413	-	602,413
Balance as at 31 March 2020	27,668,025	33,731,903	45,655,936	2,866,545	(7,280,044)	(645,790)	252,132,491	354,129,066	50,388,801	404,517,867
Profit for the year	-	-	-	-	-	-	58,831,940	58,831,940	4,071,514	62,903,454
Re-measurement of defined benefit obligation (Note 17)	-	-	-	-	-	(127,869)	-	(127,869)	-	(127,869)
Cumulative translation adjustment reserve	-	-	-	-	(2,849,630)	-	-	(2,849,630)	(2,530,247)	(5,379,877)
Total comprehensive income for the year	-	-	-	-	(2,849,630)	(127,869)	58,831,940	55,854,441	1,541,267	57,395,708
Acquisition of non-controlling interest [Note 1(j)]	-	-	-	-	-	-	(154,971)	(154,971)	111,617	(43,354)
Dividend declared to non-controlling interest (Note 30)	-	-	-	-	-	-	-	-	(1,026,671)	(1,026,671)
Balance as at 31 March 2021	**27,668,025**	**33,731,903**	**45,655,936**	**2,866,545**	**(10,129,674)**	**(773,659)**	**310,809,460**	**409,828,536**	**51,015,014**	**460,843,550**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
for the year ended 31 March 2021

	2021 US$	2020 US$
Cash flows from operating activities		
Profit before taxation	**78,726,732**	55,021,453
Adjustments for:		
Interest expense	**13,170,474**	12,942,925
Depreciation of right-of-use assets	**5,773,997**	5,428,980
Expected credit losses	**4,155,839**	2,085,185
Amortisation of other intangible assets	**3,510,526**	2,598,381
Depreciation of property and equipment	**2,774,958**	2,736,063
Current service cost on employees' end-of-service indemnity	**1,930,861**	2,623,212
Provision for general risk	**1,500,000**	-
Impairment losses	**851,100**	155,198
Loss/(gain) on disposal of property and equipment	**95,950**	(2,225)
Loss on disposal of intangible assets	**34,853**	-
Interest income	**(3,800,540)**	(2,075,020)
(Reversal of allowance)/allowance for slow-moving inventories	**(3,265,803)**	4,016,588
Stock appreciation rights granted to employees	**-**	602,413
Operating cash flow before changes in operating assets and liabilities	**105,458,947**	86,133,153
(Increase)/decrease in other financial assets	**(72,415,899)**	15,218
Increase in due from related parties	**(3,549,964)**	(8,905,306)
Increase in trade and other receivables	**(22,849,011)**	(6,064,335)
Decrease in inventories	**67,930,403**	14,101,203
Increase/(decrease) in trade and other payables	**167,255,931**	(18,975,393)
Increase/(decrease) in due to a related party	**5,750**	(18,451)
Cash generated from operations	**241,836,157**	66,286,089
Employees' end-of-service indemnity paid	**(1,212,918)**	(1,639,310)
Income tax paid	**(11,747,765)**	(4,975,090)
Net cash from operating activities	**228,875,474**	59,671,689
Cash flows from investing activities		
Purchase of property and equipment	**(3,035,271)**	(2,364,502)
Purchase of other intangible assets	**(1,871,960)**	(2,856,389)
Proceeds from disposal of property and equipment	**963,801**	257,200
Interest received	**3,800,540**	2,075,020
Net cash outflow from acquisition of noncontrolling interest	**(43,354)**	-
Net cash used in investing activities	**(186,244)**	(2,888,671)
Cash flows from financing activities		
(Repayment of)/proceeds from bank borrowings under trust receipts - net	**(112,168,651)**	102,346,975
Proceeds from/(repayment of) short term loans - net	**7,758,453**	14,835,113
(Repayment of)/proceeds from bank overdraft - net	**(1,649,018)**	1,586,206
Dividends paid	**(906,998)**	(46,598,000)
Repayment of lease liability	**(5,637,046)**	(6,125,717)
Interest paid	**(13,170,474)**	(12,675,432)
Net cash (used in)/from financing activities	**(125,773,734)**	53,369,145
Net increase in cash and cash equivalents	**102,915,496**	110,152,163
Cash and cash equivalents at the beginning of the year	**184,371,373**	75,942,140
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	**(5,390,228)**	(1,722,930)
Cash and cash equivalents at the end of the year (Note 13)	**281,896,641**	184,371,373
Non-cash transactions:		
Acquisition of property held for sale	**(1,080,951)**	-
Receivable from disposal of property and equipment	**658,624**	-
	(422,327)	-

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements
for the year ended 31 March 2021

1. Status and operations

a) Redington International Mauritius Limited (the "Company") was incorporated in Mauritius with limited liability on 16 July 2008 and is a holder of a Category 2 - Global Business License Company.

b) The Company and its subsidiaries are together referred to as the "Group".

c) The parent and ultimate controlling party is Redington (India) Limited (the "Parent Company").

d) The principal activity of the Group is distribution of Information Technology and Telecommunication products and spare parts, providing hardware support and maintenance services for Information Technology and Telecommunication products.

e) The address of the registered office of the Company is IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, 72201, Mauritius.

f) Details of the Company's subsidiary as at 31 March 2021 are as follow:

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, RGF.

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 [Note 1(g)]	49	100	Dubai, U.A.E.	Distribution of information technology products, providing hardware support and maintenance services.
Cadensworth United Arab Emirates (LLC) [Note 1(g)]	49	100	Dubai, U.A.E.	Distribution of information technology products, providing hardware support and maintenance services.
Redington Gulf & Co. LLC	70	100	Muscat, Oman	Distribution of information technology products, providing hardware support and maintenance services.
Redington Turkey Teknoloji A.Ş. (formerly known as Linkplus Bilgisayar Sistemleri Sanayi ve Ticaret A.S.)	100	100	Istanbul, Turkey	Distribution of information technology products.

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

1. Status and operations (continued)

Name of subsidiary	*Ownership interest %*	*Beneficial interest %*	*Place of registration and operation*	*Principal activities*
Ensure Services Arabia LLC	100	100	Riyadh, Kingdom of Saudi Arabia	Providing hardware support and maintenance services.
Ensure IT Services (Pty) Ltd.	100	100	Johannesburg, South Africa	Providing hardware support and maintenance services.
Ensure Services Bahrain S.P.C. (formerly Redington Bahrain S.P.C.)	100	100	Manama, Kingdom of Bahrain	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 [Note 1(g)]	65	100	Tripoli, Libya	Providing hardware support and maintenance services.
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.
RNDC Alliance West Africa Limited	100	100	Lagos, Nigeria	Distribution of information technology and telecommunication products.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

1. Status and operations (continued)

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
CDW International Trading FZCO	100	100	Dubai, U.A.E.	Trading of information technology and telecommunication products.
Redington Angola Ltd.	100	100	Luanda, Angola	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.
Ensure Gulf FZE [Note 1(i)]	100	100	Dubai, U.A.E.	Providing hardware support and maintenance services.
Proconnect Supply Chain Logistics LLC [Note 1(g)]	49	100	Dubai, U.A.E.	Providing logistic services.
Redington Senegal Limited S.A.R.L.	100	100	Dakar, Senegal	Distribution of information technology and telecommunication products.
Redington Saudi Arabia Distribution Company*	75	100	Riyadh, Saudi Arabia	Distribution of information technology and telecommunication products.
Redserv Business Solutions Private Limited	100	100	Chennai, India	Business process consulting and outsourcing.
Citrus Consulting Services FZ LLC	100	100	Dubai, U.A.E.	Providing technology consulting services
Redington Cote d’Ivoire SARL	100	100	Abidjan, Cote d’Ivoire	Distribution of Information technology and telecommunication products.
Redington Saudi for Trading [Note 1(h)]	100	100	Riyadh, Saudi Arabia	Wholesale of electronic household appliances, telecommunication products and cosmetics

Subsequent to 31 March 2021, Redington Saudi Arabia Distribution Company became 100% subsidiary of Redington Gulf FZE

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

1. Status and operations (continued)

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	KwaZulu-Natal, South Africa	Providing hardware support and maintenance services.
Ensure Middle East Trading LLC [Note 1(g and i)]	49	100	Dubai, U.A.E.	Providing hardware support and maintenance services.
Ensure Technical Services Kenya Limited [Note 1(i)]	100	100	Nairobi, Kenya	Providing hardware support and maintenance services.
Ensure Technical Services Tanzania Limited [Note 1(i)]	100	100	Dar e saalam, Tanzania	Providing hardware support and maintenance services.
Ensure Services Uganda Limited [Note 1(i)]	100	100	Kampala, Uganda	Providing hardware support and maintenance services.
Ensure Solutions Nigeria Limited [Note 1(i)]	99.9	100	Lagos, Nigeria	Providing hardware support and maintenance services.
Ensure Ghana Limited [Note 1(i)]	100	100	Accra, Ghana	Providing hardware support and maintenance services.
Ensure Technical Services Morocco Limited (Sarl) [Note 1(i)]	100	100	Casablanca, Morocco	Providing hardware support and maintenance services.
Ensure Middle East Technology Solutions LLC [Note 1(g)]	49	100	Abu Dhabi, U.A.E.	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 subsidiaries:

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Redington Distribution Company	99	100	Cairo, Egypt	Distribution of information technology and telecommunication products.
Ensure Services Limited [Note 1(i)]	99	100	Cairo, Egypt	Providing hardware support and maintenance services.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

1. Status and operations (continued)

Redington Turkey Holdings S.A.R.L. has the following subsidiary:

Name of subsidiaries	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Arena Bilgisayar Sanayi ve Ticaret A.S. [Note 1(g)]	49.4	49.4	Istanbul, Turkey	Distribution of information technology and telecommunication products.

Arena Bilgisayar Sanayi ve Ticaret A.S. has the following subsidiaries:

Arena International FZE	100	100	Dubai, U.A.E.	Computer software trading, computer equipment requisites trading, telephones and telecommunication equipment trading, computer and data processing requisites trading.
PayNet Odeme Hizmetleri A. S.	100	100	Istanbul, Turkey	Payment intermediation services.
Online Electronik Ticaret Hizmetleri A.S.	100	100	Istanbul, Turkey	Online electronics retail and market.
Arena Mobile Iletisim Hizmetteri ve Turketici Elektronigi Sanayi ve Ticaret A.S.	100	100	Istanbul, Turkey	Wholesale trade of mobile phones and other mobile devices.
Paynet (Kibris) Odeme Hizmetleri Limited	100	100	Gazimagusa, Cyprus	Payment intermediation services.

g) 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 and are consolidated in these consolidated financial statements.

h) During the year, RGF incorporated a wholly-owned subsidiary, Redington Saudi for Trading, in the Kingdom of Saudi Arabia with a share capital of US$ 8,000,000. As of 31 March 2021, the share capital is not remitted by RGF to the subsidiary and the subsidiary has not commenced its operations.

i) As part of corporate restructuring, the businesses carried on by these entities have been transferred to other RGF subsidiaries in the respective geographies and these entities are under liquidation as of 31 March 2021.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

1. Status and operations (continued)

Non-controlling interests in subsidiaries

j) The table below shows details of non-wholly owned subsidiaries of the Group that have non-controlling interests:

Name of Subsidiaries	*Country of incorporation*	*Proportion of ownership interests and voting rights held by non-controlling interest*		*Profit/(loss)allocated to non-controlling interests*		*Accumulated non-controlling interests*	
		2021	2020	**2021**	2020	**2021**	2020
		%	%	**US$**	US$	**US$**	US$
Arena Bilgisayar Sanayi ve Ticaret A.S. (Arena)	Istanbul, Turkey	**50.6**	50.6	**4,071,514**	2,951,411	**51,015,014**	50,502,809
Citrus Consulting Services FZ-LLC (Citrus)	Dubai, U.A.E.	**-**	15.2	**-**	(102,057)	**-**	(114,008)
Total				**4,071,514**	2,849,354	**51,015,014**	50,388,801

During the year ended 31 March 2021, RGF acquired:

- the remaining 15.2% of Citrus with a negative carrying value of US$ 111,617 for a consideration of US$ 43,354. This being a common control transaction, the premium of US$ 154,971 paid over the carrying value is recognised as a reduction from retained earnings.

The summarised consolidated financial information below of a non-wholly owned subsidiary, Arena, with a material non-controlling interest represents amounts before intragroup eliminations:

	2021	2020
	US$	US$
Current assets	**225,269,828**	188,289,602
Non-current assets	**5,958,403**	4,485,554
Current liabilities	**152,734,804**	114,905,481
Non-current liabilities	**3,527,309**	3,915,817
Equity attributable to equity holders of Arena	**74,966,118**	73,953,857
Revenue	**718,789,838**	595,934,787
Profit for the year attributable to equity holders of Arena	**8,046,470**	5,783,167
Profit for the year attributable to non-controlling interest	**-**	25,129
	8,046,470	5,808,296
Total comprehensive income attributable to equity holders of Arena	**3,045,982**	5,027,770
Total comprehensive income attributable to non-controlling interest	**-**	64,601
Total comprehensive income	**3,045,982**	5,092,371

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

1. Status and operations (continued)

Non-controlling interests in subsidiaries (continued)

	2021	2020
	US$	US$
Net cash from operating activities	**20,363,250**	11,492,541
Net cash used in investing activities	**(3,130,873)**	(1,462,738)
Net cash (used in)/from financing activities	**(15,245,046)**	9,985,771

2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and amended IFRS applied with no material effect on the consolidated financial statements

In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements:

New and revised IFRSs	***Effective for annual periods beginning on or after***
Interest Rate Benchmark Reform - Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments - Disclosures*	1 January 2020
The amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.	
COVID-19 - Related Rent Concessions - Amendments to IFRS 16 *Leases*	1 January 2020
The amendment provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.	
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.	

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.1 New and amended IFRS applied with no material effect on the consolidated financial statements (continued)

New and revised IFRSs	***Effective for annual periods beginning on or after***
Amendments to References to the Conceptual Framework in IFRS Standards (continued)	
The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.	
Definition of Material - Amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*	1 January 2020
The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of obscuring material information with immaterial information has been included as part of the new definition.	
The threshold for materiality influencing users has been changed from could influence to could reasonably be expected to influence. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term ‘material’ to ensure consistency.	
Definition of a Business - Amendments to IFRS 3 *Business Combinations*	1 January 2020
The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.	
The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.	
The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.	

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	***Effective for annual periods beginning on or after***
Amendment to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments - Disclosures*, IFRS 4 *Insurance Contracts* and IFRS 16 *Leases* - Interest Rate Benchmark Reform - Phase 2	1 January 2021
The amendments introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.	
Amendments to IFRS 3 *Business Combinations* - Reference to the Conceptual Framework	1 January 2022
The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.	
Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.	
Amendments to IAS 16 *Property, Plant and Equipment* - Proceeds before Intended Use	1 January 2022
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.	
The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.	
The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.	

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	***Effective for annual periods beginning on or after***
Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	
The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.	
Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.	
Annual Improvements to IFRSs 2018-2020 *Cycle* - Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards,* IFRS 9 *Financial Instruments*, IFRS 16 *Leases* and IAS 41 *Agriculture.*	1 January 2022
The *Annual Improvements* include amendments to four Standards.	
IFRS 1 *First-time Adoption of International Financial Reporting Standards*	1 January 2022
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in paragraph D16(a) of IFRS 1 can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent’s consolidated financial statements, based on the parent’s date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in paragraph D16(a) of IFRS 1.	
IFRS 9 *Financial Instruments*	1 January 2022
The amendment clarifies that in applying the ‘10 per cent’ test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.	
The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.	

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	***Effective for annual periods beginning on or after***
IFRS 16 *Leases*	1 January 2022
The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.	
IAS 41 *Agriculture*	1 January 2022
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.	
The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.	
Amendments to IAS 1 *Presentation of Financial Statements* - Classification of Liabilities as Current or Non-current	1 January 2023
The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.	
The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	
IFRS 17 *Insurance Contracts*	1 January 2023
IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 *Insurance Contracts*.	
IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.	
The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.	

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	***Effective for annual periods beginning on or after***
IFRS 17 *Insurance Contracts (continued)*	
In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.	
IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.	
For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	
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 and investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the year of initial application.

3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

3. Basis of consolidation (continued)

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4. Significant accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS.

These consolidated financial statements are presented in United States Dollars (US Dollar) since the functional and operating currencies of the key group companies are linked to US Dollar and the majority of the Group's business is transacted in US Dollars or linked currencies. The following is a summary of the significant accounting policies adopted:

Basis of accounting

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial asset which is valued at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method except for 'common control' transactions that are accounted for at book values. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

4. Significant accounting policies (continued)

Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Inventories

Inventories are stated at the lower of cost and net realisable 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 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 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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when incurred.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

4. Significant accounting policies (continued)

Property and equipment (continued)

The cost of property and equipment, is depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Building	20
Warehouse equipment	5
Furniture and fixtures	4-10
Motor vehicles	3-5
Leasehold improvements	3-5
Office equipment	5-8
Computers	3-5

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 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 assets

Intangible assets acquired separately

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 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 separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets that are acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The following useful lives are used in the calculation of amortisation:

	Years
Trade name	Indefinite
Customer relationship	7
Software	3 - 5

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its 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, and are recognised in profit or loss when the asset is derecognised.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

4. Significant accounting policies (continued)

Impairment of tangible and intangible assets other than goodwill

At each reporting date, the Group 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives 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 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 (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised 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 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.

Property held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets 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 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.

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 the Group 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 consolidated financial statements for the year ended 31 March 2021 (continued)

4. Significant accounting policies (continued)

Employee benefits

The Group operates a defined benefit plan. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's 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.

The Group's gratuity plan is unfunded, the defined benefit obligation of which is determined annually by a qualified actuary using the projected unit credit method at each reporting date. Re-measurement of defined benefit obligation, which comprises of actuarial gains and losses are recognised in other comprehensive income in the period in which they occur. The Group determines the net interest expenses on the net defined benefit obligation, taking into account any changes in the defined benefit liability during the period as a result of contribution and benefit payments. Net interest expenses related to defined benefit plan are recongised in "Finance costs" in the consolidated statement of profit or loss.

Equity-settled share-based payments

The Group operates a number of equity-settled, share based compensation plans. The fair value of the employee services received in exchange for the grant of the shares/options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares/options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in the assumptions about the number of shares/options that are expected to vest. At each reporting date, the group revises its estimates of the number of shares/options that are expected to vest. It recognizes the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to retained earnings.

The Parent Company, Redington (India) Limited, has granted rights to its equity instruments to the employees of the Group and its subsidiaries conditional upon the completion of continuing service with the Group for a specified period. The total amount of the grant over the vesting period is determined by reference to the fair value of the equity instruments granted and is recognised in each period as an increase in the investment in the subsidiaries with a corresponding credit to retained earnings.

In the separate financial statements of the subsidiaries, the fair value of the employee services received in exchange for the grant of the equity instruments of the Group is recognised as an expense with a corresponding credit to equity.

Revenue recognition

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 being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates, customer returns and other taxes. The following specific recognition criteria must also be met before revenue is recognised:

(i) Revenue from sale of goods

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1) Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.
2) Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

4. Significant accounting policies (continued)

Revenue recognition (continued)

(i) Revenue from sale of goods (continued)

3) Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

4) Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

5) Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

The Group allocates the transaction price to the performance obligations in a contract based on the input method which requires revenue recognition on the basis of the Group's efforts or inputs to the satisfaction of the performance obligations.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent and has concluded that it is acting as a principal in all of its revenue arrangements.

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 consolidated 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting date.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

4. Significant accounting policies (continued)

Taxation (continued)

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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 Group 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 deferred tax 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 Group 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.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in US Dollar since the functional and operating currencies of the key group companies are linked to the US Dollar and the majority of the Group’s business is transacted in US Dollars or linked currencies.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity’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 are recognised in profit or loss in the consolidated statement of profit or loss and other comprehensive income in the period in which they arise.

4. Significant accounting policies (continued)

Foreign currencies (continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in US Dollars using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the Group's cumulative translation adjustment. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group 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 consolidated statement of profit or loss and other comprehensive income.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at amortised cost.

Amortised cost and effective interest rate method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

The Group always recognises lifetime ECL for trade receivables. The expected credit loss on this financial asset is estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(a) The financial instrument has a low risk of default,
(b) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
(c) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;
b) a breach of contract, such as a default or past due event (see (ii) above);
c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises 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 entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently 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 amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Leases

The Group as lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

4. Significant accounting policies (continued)

Leases (continued)

The Group as lessee (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line item in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the consolidated statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

Leases - Policy with respect to leases applied before 1 April 2019

Leases are classified as operating leases.

The Group 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.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

5. Critical accounting judgments and key sources of estimation uncertainty in applying the Group's accounting policies

Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 4 to the consolidated financial statements, management has made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Warranties

The Group's Original Equipment Manufacturer ("OEM") generally warrants the products distributed by the Group and these are assurance warranties provided in the normal course of business relating to product performance. The Group generally does not independently warrant the products it distributes and management does not consider that any provision for warranties or claims is required.

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.

Provision for impairment of trade receivables

The Group measures the estimated credit losses at an amount equal to lifetime ECL. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The Group also considers the impact of currency devaluation and effect on macro-economic factor in measuring ECL.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Impairment of goodwill and intangible assets

The Group carries out an impairment review whenever events or changes in circumstance indicate that the carrying value of goodwill and intangible assets may not be recoverable. In addition, the Group carries out an annual impairment review as required by IAS 36.

In determining whether goodwill and intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which goodwill and intangible assets have been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit (CGU) and a suitable discount rate in order to calculate present value.

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

5. Critical accounting judgments and key sources of estimation uncertainty in applying the Group's accounting policies (continued)

Key sources of estimation uncertainty (continued)

Impairment of goodwill and intangible assets

As at 31 March 2021, Redington Gulf FZE recorded USD 851,100 impairment losses for tradename under intangible assets. As at 31 March 2020, Redington Gulf FZE recorded impairment losses amounting to US$ 155,198 pertaining to intangible assets amounting to US$ 134,236 and goodwill amounting to US$ 20,962 that arose from the acquisition of Linkplus and details of the impairment loss calculation are set out in Notes 7, 8 and 24 of the consolidated financial statements.

Inventory obsolescence

Inventories are stated at the lower of cost and net realisable value (net of price protection rebates). 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.

Allowance for general risks

Management had considered it necessary to build an allowance for other risks and such provision is maintained in order to cover the general country-related and economic and political risks. 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.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR"), which is equal to 6.81% in 2021 (2020: 8.87%) due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR at the commencement of lease, using borrowing rates that certain financial institutions would charge the Group against financing the different types of assets it leased over different terms and different ranges of values. Majority of the leases are present in the U.A.E. accordingly no adjustment for the economic environment was deemed required.

Assessment as to whether the right-of-use assets is impaired

In estimating the recoverable amount of the right-of-use assets, the Management has made assumptions about the achievable market rates for similar properties with similar lease terms. The Management believes that any reasonably possible change in the key assumptions on which the recoverable amount of the right-of-use assets is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amounts of the related cash generating unit.

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

5. Critical accounting judgments and key sources of estimation uncertainty in applying the Group's accounting policies (continued)

Key sources of estimation uncertainty (continued)

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 quarterly reporting periods. The Group 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 to accounts payable. The Group 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 Group 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 the target met by its customers during the period of agreement.

COVID-19

In January 2020, the World Health Organization ("WHO") announced a global health emergency due to the outbreak of coronavirus ("COVID-19"). Based on the rapid increase in exposure and infections across the world, WHO, in March 2020, classified the COVID-19 outbreak as a pandemic. Actions taken by governmental authorities, nongovernmental organizations, businesses and individuals around the world to slow the COVID-19 pandemic and associated consumer behavior have negatively impacted forecasted global economic activity.

The Group continues to closely monitor the situation to manage the business disruption on its operations and financial performance. While circumstances are continually evolving, the risks are mitigated by the use of client relationship management system to ensure regular contact with clients, cash management and monitoring controls, draw down of facilities to create an emergency cash fund, if required, and cost cutting measures taken to improve financial resilience in the current environment.

The Group has performed an assessment of the potential impact of the pandemic on its financial statements for the year ended at 31 March 2021 and has concluded that there is no material impact to the operations or the profitability of the Group. As the situation is evolving, the Group will continue to monitor the situation and adjust its critical judgements and estimates, as necessary, during the course of the forthcoming financial year 2021 - 2022.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

6. Property and equipment

	Building US$	Warehouse equipment US$	Furniture and fixtures US$	Motor vehicles US$	Leasehold improvements US$	Office equipment US$	Computers US$	Total US$
Cost								
At 1 April 2019	6,767,484	3,097,515	15,103,985	1,370,820	533,848	8,989,594	3,989,420	39,852,666
Additions/transfers	-	392,448	1,012,355	130,914	-	299,928	528,857	2,364,502
Disposals	-	(83,745)	(615,084)	(246,937)	(16,262)	(274,493)	(576,488)	(1,813,009)
At 31 March 2020	6,767,484	3,406,218	15,501,256	1,254,797	517,586	9,015,029	3,941,789	40,404,159
Additions/transfers	-	357,837	1,063,876	45,192	778,093	295,599	494,674	3,035,271
Disposals	-	(206,631)	(3,146,464)	(96,909)	(4,477)	(758,029)	(400,608)	(4,613,118)
At 31 March 2021	6,767,484	3,557,424	13,418,668	1,203,080	1,291,202	8,552,599	4,035,855	38,826,312
Accumulated depreciation								
At 1 April 2019	2,884,151	2,298,800	11,615,308	1,177,677	277,970	7,660,368	3,348,557	29,262,831
Charge for the year	336,116	358,832	1,047,885	66,041	29,888	379,455	517,846	2,736,063
Eliminated on disposals	-	(81,559)	(472,138)	(206,255)	(7,161)	(229,554)	(561,367)	(1,558,034)
At 31 March 2020	3,220,267	2,576,073	12,191,055	1,037,463	300,697	7,810,269	3,305,036	30,440,860
Charge for the year	336,116	458,756	1,052,715	58,604	61,823	366,530	440,414	2,774,958
Eliminated on disposals	-	(15,191)	(2,038,821)	(8,591)	(4,477)	(465,252)	(362,411)	(2,894,743)
At 31 March 2021	3,556,383	3,019,638	11,204,949	1,087,476	358,043	7,711,547	3,383,039	30,321,075
Carrying amount								
At 31 March 2021	**3,211,101**	**537,786**	**2,213,719**	**115,604**	**933,159**	**841,052**	**652,816**	**8,505,237**
At 31 March 2020	3,547,217	830,145	3,310,201	217,334	216,889	1,204,760	636,753	9,963,299

The building consists of a distribution centre in Jebel Ali Free Zone which is constructed on land leased for a period of 20 years expiring in 2027.

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

7. Other intangible assets

a)	Trade name US$	Customer relationship US$	Software US$	Work-in-progress US$	Total US$
Cost					
At 1 April 2019	33,851,100	5,903,282	13,989,233	667,921	54,411,536
Additions during the year	-	-	324,258	2,532,131	2,856,389
Transfers from work-in-progress	-	-	1,691,713	(1,691,713)	-
Eliminated on disposal	-	-	(324,322)	-	(324,322)
At 31 March 2020	33,851,100	5,903,282	15,680,882	1,508,339	56,943,603
Additions during the year	-	-	1,467,120	404,840	1,871,960
Transfers from work-in-progress	-	-	1,824,217	(1,824,217)	-
Eliminated on disposal	-	-	(487,936)	-	(487,936)
At 31 March 2021	33,851,100	5,903,282	18,484,283	88,962	58,327,627
Accumulated amortisation and impairment loss					
At 1 April 2019	7,364,328	4,341,142	10,003,034	-	21,708,504
Amortisation during the year (Note 23)	-	290,036	2,308,345	-	2,598,381
Impairment loss (Note 24)	-	134,236	-	-	134,236
Eliminated on disposal	-	-	(324,322)	-	(324,322)
At 31 March 2020	7,364,328	4,765,414	11,987,057	-	24,116,799
Amortisation during the year (Note 23)		682,721	2,827,805		3,510,526
Impairment losses	851,100	-	-	-	851,100
Eliminated on disposal	-	-	(453,083)	-	(453,083)
At 31 March 2021	8,215,428	5,448,135	14,361,779	-	28,025,342
Carrying amounts					
At 31 March 2021	**25,635,672**	**455,147**	**4,122,504**	**88,962**	**30,302,285**
At 31 March 2020	26,486,772	1,137,868	3,693,825	1,508,339	32,826,804

Work-in-progress represents costs incurred as at the reporting date on the development of the Group's various business software.

Trade name and customer relationship resulted from the investments in subsidiaries in Turkey.

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

7. Other intangible assets (continued)

	2021	2020
	US$	US$
b)		
With finite useful life	**4,666,613**	6,340,032
With indefinite useful life	**25,635,672**	26,486,772
	30,302,285	32,826,804

8. Goodwill

	2021	2020
	US$	US$
Balance at the beginning of the year	**349,559**	370,521
Impairment loss (Note 24)	**-**	(20,962)
Balance at 31 March	**349,559**	349,559

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

	2021	2020
	US$	US$
Redington Turkey Teknoloji A.Ş. (formerly known as Linkplus Bilgisayar Sistemleri Sanayi ve Ticaret A.S.)	**349,559**	

The recoverable amount of the above cash-generating unit is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets prepared by management covering a five-year period, after which an estimated long term growth rate of 2% (2020: 1.5%) is applied, and a weighted average cost of capital of 17.58% (2020: 20.67%) per annum.

9. Taxation

The Group is subject to corporate income tax in Kuwait, Qatar, Senegal, Egypt, Kingdom of Saudi Arabia, Oman, Morocco, Tanzania, South Africa, Ghana, Uganda, Nigeria, Kenya, India, Kazakhstan, Cote d'Ivoire, Angola, Rwanda, Cyprus, Turkey and Luxembourg where the subsidiaries operate. The applicable income tax rates of the Group range from 10% to 43%.

a) The movement of income tax payable is as follows:

	2021	2020
	US$	US$
Balance at the beginning of the year	**4,293,798**	3,157,465
Charge for the year	**16,193,447**	6,111,423
Tax paid during the year	**(11,747,765)**	(4,975,090)
Balance at the end of the year	**8,739,480**	4,293,798

9. Taxation (continued)

b) The movement in deferred tax asset and liability are as follows:

	2021	2020
	US$	US$
Deferred tax asset		
Balance at the beginning of the year	**620,948**	1,674,682
Deferred tax (expense)/benefit for the year	**98,828**	(1,018,392)
Exchange rate effect	**10,351**	(35,342)
Balance at the end of the year	**730,127**	620,948
Deferred tax liability		
Balance at the beginning of the year	**(647,517)**	(7,008)
Deferred tax (expense)/ benefit for the year	**271,341**	(640,509)
Balance at the end of the year	**(376,176)**	(647,517)

c) Tax expense for the year is as follows:

	2021	2020
	US$	US$
Current taxation	**16,193,447**	6,111,423
Deferred taxation	**(370,169)**	1,658,901
	15,823,278	7,770,324

10. Inventories

	2021	2020
	US$	US$
Goods held for sale	**218,264,514**	294,262,836
Less: Allowance for slow-moving items	**(4,574,262)**	(7,840,065)
	213,690,252	286,422,771
Goods in transit	**17,095,535**	9,027,616
	230,785,787	295,450,387

Movement in allowance for slow-moving items:

	2021	2020
	US$	US$
Opening balance	**7,840,065**	3,823,477
(Reversal of allowance)/ allowance for slow-moving inventories	**(3,265,803)**	4,016,588
Closing balance	**4,574,262**	7,840,065

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

11. Trade and other receivables

	2021 **US$**	2020 US$
Trade receivables	**482,041,729**	461,228,567
Less: Expected credit losses	**(15,722,790)**	(11,727,132)
	466,318,939	449,501,435
Receivables from suppliers	**17,879,115**	15,156,704
Advances to suppliers	**9,928,778**	15,602,985
Prepayments	**5,618,901**	4,151,883
Deposits	**1,530,651**	1,219,891
Withholding tax receivable	**1,333,848**	813,354
Staff advances	**534,466**	555,343
Other receivables	**7,610,467**	5,482,725
	510,755,165	492,484,320

Management considers that the carrying amount of trade and other receivables approximates their fair value.

The average credit period on sales of goods and services is 43 days (2020: 43 days).

There are no customers who represent more than 10% of the total balance of trade receivables.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the expected credit losses based on past due status is not further distinguished between the Group's different customer base:

	Gross carrying amount at default US$	**Impaired receivables US$**	**Not impaired receivables US$**
31 March 2021			
Current	**409,172,265**	**-**	**409,172,265**
Past due by:			
1 - 30 days	**39,325,161**	**-**	**39,325,161**
31 - 60 days	**12,648,844**	**-**	**12,648,844**
61 - 90 days	**2,755,750**	**-**	**2,755,750**
Over 90 days	**18,139,709**	**15,722,790**	**2,416,919**
	482,041,729	**15,722,790**	**466,318,939**
31 March 2020			
Current	394,643,129	-	394,643,129
Past due by:			
1 - 30 days	32,148,170	-	32,148,170
31 - 60 days	11,440,505	-	11,440,505
61 - 90 days	4,357,084	-	4,357,084
Over 90 days	18,639,679	11,727,132	6,912,547
	461,228,567	11,727,132	449,501,435

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

11. Trade and other receivables (continued)

Movement in the expected credit losses:

	2021 US$	2020 US$
Balance at the beginning of the year	**11,727,132**	10,009,017
Impairment losses recognised during the year (Note 22)	**4,155,839**	2,085,185
Amount written-off as uncollectible	**(160,181)**	(367,070)
Balance at end of the year	**15,722,790**	11,727,132

12. Other financial assets

	2021 US$	2020 US$
Margin deposits	**1,259,846**	1,280,001
Short-term deposits	**72,436,054**	-
	73,695,900	1,280,001

Margin deposits are held by banks against letters of guarantee (Note 29).

Short-term deposits have maturity period of more than 3 months and carry an average interest rate of 0.6% per annum.

13. Cash and cash equivalents

	2021 US$	2020 US$
Cash on hand	**302,561**	174,687
Bank balances:		
- Current accounts	**85,258,893**	125,622,586
- Short-term deposits	**196,335,187**	58,574,100
	281,896,641	184,371,373

Short-term deposits have maturity period of 3 months or less and carry an average interest rate of 1.45% per annum (2020: 2.83% per annum).

14. Share capital

Share capital comprises 27,668,025 authorised and fully paid shares of US$ 1 each.

15. 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.

16. Retained earnings

Retained earnings include US$ 331,843 (2020: US$ 154,274) representing statutory reserves and legal reserves required by the local laws of the countries where subsidiaries are established, created by allocating a certain mandated percentage of the profits for the year to these statutory reserves. These reserves are not distributable except as allowed by the relevant country’s law.

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

17. Employees' end-of-service indemnity

The Group provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Group's obligation towards gratuity is a defined benefit plan and the details of actuarial valuation as at year-end are as follows:

Movement in the present value of defined benefit obligation:

	2021	2020
	US$	US$
Balance at beginning of the year	**11,637,253**	10,004,700
Service cost	**1,930,861**	2,623,212
Net interest cost	**216,150**	267,493
Actuarial loss on obligation	**127,869**	381,158
Benefits paid	**(1,212,918)**	(1,639,310)
Balance at end of the year	**12,699,215**	11,637,253

Expense recognized in "Employee benefits" included in the statement of profit or loss and other comprehensive income:

	2021	2020
	US$	US$
Service cost	**1,930,861**	2,623,212
Net interest cost	**216,150**	267,493
	2,147,011	2,890,705

Principal assumptions used for purposes of the actuarial valuation:

	2021	2020
Discount rate	**1.85%**	3.00%
Salary escalation rate	**7.00%**	3.00%
Mortality rate	**Per AM (80) table**	Per AM (80) table
Withdrawal rate	**18.00%**	19.00%

The sensitivity analysis has been determined based on the exposure to discount rates, salary escalation rate, mortality rate and withdrawal rate. The sensitivity rate applied by the Group to ascertain the impact in one of the actuarial assumptions, keeping other assumptions constant, on the defined benefit obligation is as follows:

	Increase/(decrease)	
	2021	2020
	US$	US$
Increase of 1% in assumptions		
Discount rate	**(538,320)**	(510,656)
Salary escalation rate	**65,919**	622,303
Decrease of 1% in assumptions		
Discount rate	**615,255**	585,548
Salary escalation rate	**(90,889)**	(551,047)

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

18. Bank borrowings

	2021 US$	2020 US$
Trust receipts	**-**	112,168,651
Short-term loans	**53,712,427**	45,953,974
Overdraft	**-**	1,649,018
	53,712,427	159,771,643

a) Trust receipts amounting to US$ nil (2020: US$ 112.2 million) are secured by assignment of insurance policies over inventories on a pari-passu basis.

b) Short term loans are repayable within one year and are at floating rates of interest.

c) For the year ended 31 March 2021, the average interest rate is at 5.41% (2020: 6.17%) per annum.

d) Movement in bank borrowings is as follows:

	Trust receipts US$	**Short-term loans US$**	**Overdraft US$**	**Total US$**
Balance as at 31 April 2019	9,821,676	31,118,861	62,812	41,003,349
New loans availed	1,330,983,710	432,000,000	43,288,279	1,806,271,989
Repayments made	(1,228,636,735)	(417,164,887)	(41,702,073)	(1,687,503,695)
Balance as at 31 March 2020	112,168,651	45,953,974	1,649,018	159,771,643
New loans availed	578,951,559	374,059,644	-	953,011,203
Repayments made	(691,120,210)	(366,301,191)	(1,649,018)	(1,059,070,419)
Balance as at 31 March 2021	**-**	**53,712,427**	**-**	**53,712,427**

19. Trade and other payables

	2021 US$	2020 US$
Trade payables	**526,041,511**	405,810,848
Accrued expenses and other payables	**67,552,946**	41,153,044
Advances from customers	**31,635,076**	9,606,187
	625,229,533	456,570,079

20. Related party balances and transactions

The Group enters into transactions with the companies and entities that fall within the definition of a related party as contained in 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 the transactions and of services received/rendered from/to related parties as well as on other charges.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

20. Related party balances and transactions (continued)

As at the reporting date, related party balances are as follow:

	2021 US$	2020 US$
Due from related parties		
Entities under common control/ownership	**22,423,742**	18,873,778
Due to a related party		
Entity under common control/ownership	**5,750**	-

Balances with related parties are current, interest-free, unsecured and has no fixed repayment terms.

The Group has determined that the amounts due from related parties do not carry a credit risk and hence no expected or specific loss allowance is required on these balances. In the process of making this determination, the Group has considered the terms underlying these balances, historical default rate, the ability of the related parties to settle these balances when due and the right of set off on a Group basis. The balances due from related parties are repayable on demand and there is no historical default rate. The settlement of the related party balances are managed by the ultimate controlling party through their centralized treasury process.

The following is a summary of transactions with related parties, which are included in the consolidated financial statements:

	2021 US$	2020 US$
Entities under common ownership/control		
Sales	**26,465,224**	32,294,239
Audit fee reimbursement	**328,765**	298,462
Service fee paid	**50,000**	50,000
Service fee received	**2,950,359**	-
Purchases	**653,704**	-
Write-off of related party receivables	**573,233**	-

Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	2021 US$	2020 US$
Salaries and benefits	**3,939,301**	3,683,075
Long-term benefits	**77,025**	108,984
Management services company fee	**2,500**	2,500
	4,018,826	3,794,559

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

21. Right-of-use assets and lease liabilities

Group as a lessee

The Group leases several assets including land, buildings and motor vehicles. The average lease term is 4 years.

Right-of-use assets

	2021	2020
	US$	US$
1 April 2020 (restated)	**18,733,999**	17,633,006
Depreciation expense (Note 23)	**(5,773,997)**	(5,428,980)
Additions for the year	**4,586,861**	6,529,973
Deletions for the year	**(1,043,796)**	-
31 March	**16,503,067**	18,733,999

Lease liabilities

	2021	2020
	US$	US$
Beginning	**17,516,311**	17,112,055
Additions for the year	**4,399,619**	6,263,790
Interest expense	**1,212,299**	1,676,749
Payments	**(6,183,904)**	(7,536,283)
Deletions for the year	**(1,521,995)**	-
31 March 2021	**15,422,330**	17,516,311

	2021	2020
	US$	US$
Current	**4,057,715**	4,551,500
Non- current	**11,364,615**	12,964,811
	15,422,330	17,516,311

The management tested for indicators of impairment relating to right-of-use assets as at the reporting date in accordance with IAS 36 and have concluded that there is no impairment.

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

22. Other expenses

	2021 US$	2020 US$
Sales promotion	**9,757,353**	12,200,789
Software expenses	**6,277,129**	4,525,478
Bank charges	**5,546,085**	7,441,997
Insurance	**4,221,584**	4,856,976
Expected credit losses (Note 11)	**4,155,839**	2,085,185
Freight outwards	**3,346,175**	4,323,483
Consultancy expenses	**2,977,305**	2,115,203
Legal and professional charges	**1,788,328**	1,417,828
Communication expenses	**1,603,471**	2,014,514
Warehousing charges	**1,363,749**	350,571
Repairs and maintenance	**1,246,863**	1,517,915
Traveling	**1,118,094**	3,618,125
Rent	**864,353**	1,815,077
Advertisement	**305,177**	352,865
(Reversal of allowance)/allowance for slow-moving inventories (Note 10)	**(3,265,803)**	4,016,588
Others	**9,063,573**	6,665,977
	50,369,275	59,318,571

23. Depreciation and amortisation expenses

	2021 US$	2020 US$
Depreciation of right-of-use assets (Note 21)	**5,773,997**	5,428,980
Amortisation of intangible assets (Note 7)	**3,510,526**	2,598,381
Depreciation of property and equipment (Note 6)	**2,774,958**	2,736,063
	12,059,481	10,763,424

24. Impairment losses

Redington Gulf FZE has made its annual impairment assessment of its intangible assets with indefinite useful lives and determined that the assets were impaired. Management has allocated the impairment losses as follows:

	2021 US$	2020 US$
Other intangible assets - Trade name (Note 7)	**851,100**	-
Other intangible assets - Customer relationship (Note 7)	**-**	134,236
Goodwill [Note 8(a)]	**-**	20,962
	851,100	155,198

During the year ended 31 March 2021, Linkplus Bilgisayar Sistemleri Sanayi ve Ticaret A.S. changed its name to Redington Turkey Teknoloji A.Ş, hence, trade name has been impaired.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

25. Equity-settled share-based payments

a) Options issued to employees under the Employee Stock Option Plan

Share Purchase options granted by the Parent Company to employees under the Employee Stock Option Plan are measured at the fair value of the equity instruments at the grant date on 29 February 2008. As at the reporting date, all options are vested.

b) Shares issued to employees under the Stock Appreciation Rights (SAR) Scheme 2017

On 30 December 2017 ("Grant Date"), the Parent Company, granted 2,425,000 options to the employees of the Group over a vesting period of 3 years under the SAR Scheme 2017. Under the terms of this plan, the Ultimate Parent Company entitles the employees to receive its equity shares equivalent to the increase in the value of one equity share from the Grant Date.

The SAR vests over the period of 3 years in the following manner: 10% at the end of year 1; 20% at the end of year 2 and 70% at the end of year 3 from the Grant Date.

The fair value of the shares granted, being nil (2020: US$ 602,413) is recorded as "Employee benefits" in the consolidated statement of profit or loss and under the "Equity-settled employee benefits reserve" in the consolidated statement of changes in equity.

The fair value of each share granted is estimated on the Grant Date using the Black-Scholes option pricing model with the following weighted average assumptions over the vesting period from the Grant Date:

	Vesting Period		
	30 December 2018	30 December 2019	30 December 2020
Market price (in INR)	174.6	174.6	174.6
Expected life (in years)	2.5	3.5	4.5
Volatility (%)	30.88	33.94	36.92
Risk-free rate (%)	6.73	6.93	7.09
Exercise price (in INR)	148.5	148.5	148.5
Dividend yield (%)	1.2	1.2	1.2
Fair value per vest (in INR)	55.47	66.17	76.01

The fair value per share is INR 71.99.

The shares activity is summarised below:

	2021	2020
Balance at the beginning of the year	**2,095,000**	2,345,000
Less: SAR lapsed	**30,000**	250,000
Less: SAR exercised	**29,250**	-
Balance at end of the year	**2,035,750**	2,095,000

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

26. 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 consolidated financial statements.

(b) Categories of financial instruments

	2021	2020
	US$	US$
Financial assets		
Financial assets at amortised cost	**847,115,958**	661,284,546
Financial liabilities		
Financial liabilities at amortised cost	**644,663,752**	615,119,746

(c) Fair value

The Management considers that the Group's financial assets and financial liabilities at the end of the reporting period approximate their fair values.

27. Financial risk management

The financial risk management policies are discussed by Management of the Group 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 Group. 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 Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

27. Financial risk management (continued)

(a) Foreign currency risk management (continued)

The carrying amounts of the Group's foreign currency other than Arab Emirates Dirhams, being pegged to United States Dollar, denominated monetary assets and liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2021	2020	**2021**	2020
	US$	US$	**US$**	US$
Turkish Lira	**66,428,031**	48,960,307	**61,662,781**	65,368,508
Kuwaiti Dinar	**10,108,424**	10,927,313	**496,879**	573,318
Kazakhstan Tenge	-	10,564	-	8
Egyptian Pound	**21,022,094**	16,347,384	**5,711,440**	834,105
Moroccan Dirham	**466,480**	516,095	**366,389**	222,487
Nigerian Naira	**2,560,773**	930,566	**133,220**	83,545
West African CFA Franc	**3,633,873**	4,149,006	**176,730**	718,486
Kenyan Shilling	**3,237,445**	2,327,137	**1,065,013**	1,244,887
Uganda Shilling	**1,173,251**	1,082,206	**10,464**	88,559
Tanzanian Shillings	**447,735**	1,239,824	**20,066**	333,364
Euro	**7,756,052**	738,582	**4,615,512**	709,454
Indian Rupees	**1,046,998**	736,363	**541,471**	398,077
Ghanaian Cedi	**166,815**	41,109	**13,366**	21,528
South African Rand	**774,563**	563,187	**222,302**	104,663
Iraqi Dinars	-	2,815	-	-
Libyan Dinar	-	16,413	-	-
Rwandan Franc	**611,249**	125,483	**6,481**	-

(b) Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the US$ 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 positive number below indicates an increase in profit and other equity where the US$ strengthens 10% against the relevant currency. For a 10% weakening of the US$ against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	2021	2020
	US$	US$
Profit/(loss)		
Turkish Lira	**(476,525)**	1,640,820
Kuwaiti Dinar	**(961,155)**	(1,035,400)
Kazakhstan Tenge	-	(1,056)
Egyptian Pound	**(1,531,065)**	(1,551,328)
Moroccan Dirham	**(10,009)**	(29,361)
Nigerian Naira	**(242,755)**	(84,702)
West African CFA Franc	**(345,714)**	(343,052)
Kenyan Shilling	**(217,243)**	(108,225)
Uganda Shilling	**(116,279)**	(99,365)
Tanzanian Shillings	**(42,767)**	(90,646)
Euro	**(314,054)**	(2,913)
Indian Rupees	**(50,553)**	(33,829)
Ghanaian Cedi	**(15,345)**	(1,958)
South African Rand	**(55,226)**	(45,852)
Iraqi Dinars	-	(282)
Libyan Dinar	-	(1,641)
Rwandan Franc	**(60,477)**	(12,548)

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

27. Financial risk management (continued)

(c) Interest rate risk management

The Group is exposed to interest rate risk as the Group borrows funds at floating interest rates. The Group's exposures 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. The analysis is prepared assuming the amount of assets/liabilities 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 Group's profit for the year ended 31 March 2021 would decrease/increase by US$ 268,562 (2020: US$ 798,858). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

(d) Credit risk management

Credit risk arises from credit exposure to outstanding trade receivables. Management of the Group 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 Group'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 Group 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 receivables.

The Group does not have any significant credit risk exposure to any single counterparty or any company of the counterparty having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 10% of gross monetary assets at any time during the year. 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 consolidated financial statements.

The Group, on occasion, makes advanced payments to suppliers in order to avail settlement discounts, which would be earlier than the date of receipt of goods and prior to recording the purchase and liability. On occasion, the Group would also settle supplier liabilities earlier than the agreed credit period in order to avail settlement discounts.

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

27. Financial risk management (continued)

(d) Credit risk management (continued)

The Group's current credit risk grading framework comprises the following categories:

Category	*Description*	*Basis for recognising expected credit losses*
Performing	The counterparty has a low risk of default and does not have any past due amounts	Lifetime ECL - not credit-impaired
Doubtful	Amount is >90 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
In default	Amount is >180 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

(e) 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 Group's short, medium and long-term funding and liquidity management requirements. The Group 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.

All of the Group's financial assets and financial liabilities are due to be settled within one year from the reporting date, except for lease liabilities as follows:

	Average interest rate %	**Less than 1 year US$**	**More than 1 year but less than 5 years US$**	**More than 5 years US$**	**Total US$**
2021					
Financial liabilities					
Interest-bearing instruments	**5.41%**	**53,712,427**	**-**	**-**	**53,712,427**
Non-interest bearing instruments	**-**	**590,951,325**		**-**	**590,951,325**
		644,663,752	**-**	**-**	**644,663,752**
2020					
Financial liabilities					
Interest-bearing instruments	6.17%	159,771,643	-	-	159,771,643
Non-interest bearing instruments	-	455,348,103		-	455,348,103
		615,119,746	-	-	615,119,746

28. Capital risk management

The Group manages its capital to ensure that entities in the Group 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 Group's overall strategy remains unchanged from the previous year.

The capital structure of the Group consists of debt, which includes the bank borrowings disclosed in Note 19, cash and cash equivalents, and other financial assets as disclosed in Notes 13 and 12, respectively and total equity of the Group comprising issued capital, reserves, retained earnings and non-controlling interests as disclosed in the consolidated statement of changes in equity.

Gearing ratio

The Group'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 Group targets an optimum gearing ratio of 85% determined as the proportion of gross debt to equity.

The gearing ratio at the year-end was as follows:

	2021 **US$**	2020 US$
Debt	**53,712,427**	159,771,643
Cash and cash equivalents and other financial assets	**(355,592,541)**	(185,651,374)
Net debt	**(301,880,114)**	(25,879,731)
Equity	**460,843,550**	404,517,867
Net debt to equity ratio	N/A	N/A

29. Contingencies

	2021 **US$**	2020 US$
Letters of guarantee	**6,635,130**	10,033,765

As at 31 March 2021, margin deposits amounting to US$ 1.26 million (2020: US$ 1.28 million) are held against letters of guarantee (Note 12).

During the year ended 31 March 2021, one of the subsidiaries of the Company has been served an assessment order for US$ 21,780,421 (SAR 81, 676,579) by the tax authorities in the Kingdom of Saudi Arabia. This assessment is towards withholding tax related to payments for imported software licenses for trading purposes which has been accepted by the tax authorities for prior years as imports of goods not subject to withholding tax and is consistent with the Company's management and tax advisors reading of the tax laws of the Kingdom of Saudi Arabia. The subsidiary has appealed against the order and the management is confident of a favourable outcome of the appeal process and this has not been concluded on as of the audit report date and therefore remains contingent based on the outcome of the appeal.

Notes to the consolidated financial statements
for the year ended 31 March 2021 (continued)

30. Dividends

During the year ended 31 March 2021, the dividend declarations has been made by the Group:

(a) Arena Bilgisayar Sanayi ve Ticaret A.S. declared dividends to its shareholders amounting to US$ 2,028,995 at US$ 0.063 per share, amount pertaining to non-controlling interest shareholders amounting to US$ 1,026,671 at US$ 0.063 per share.

During the year ended 31 March 2020, the dividend declarations has been made by the Group:

- The Company declared and paid dividend to its Parent Company amounting to US$ 46,598,000 at US$ 1.68 per share; and
- Arena Bilgisayar Sanayi ve Ticaret A.S. declared dividends to its non-controlling shareholders amounting to US$ 906,998 at US$ 0.056 per share.

31. Change in presentation of consolidated financial statement

In accordance with IAS 1, *Presentation of Financial Statements*, expenses recognised in profit or loss should be analysed either by nature or by function. In the previous year, the expenses included in the consolidated statement of profit or loss were presented by function of expenses. During the year ended 31 March 2021, the management elected to present the expenses included in the consolidated statements of profit or loss by nature of expenses. This change in presentation is to conform with the ultimate controlling party's presentation of expenses.

The following is the summary of the changes in presentation of expenses included in the consolidated statement of profit or loss for the year ended 31 March 2020:

	2020 US$ *(As previously presented)*		2020 US$ *(As currently presented)*
Cost of revenue	3,774,583,534	Changes in inventories of finished goods	3,774,583,534
General and administrative expenses	77,547,251	Employee benefits	75,892,564
Selling and distribution expenses	68,427,308	Finance costs	12,942,925
Impairment losses	155,198	Depreciation and amortization expenses	10,763,424
Interest expense	12,942,925	Impairment losses	155,198
		Other expenses	59,318,571
Total expenses	3,933,656,216		3,933,656,216

32. Approval of consolidated financial statements

The consolidated financial statements for the year ended 31 March 2021 were approved and signed by the Directors on 25 May 2021.

Company Registration No. 200503995E

Redington Distribution Pte Ltd and its subsidiaries

Annual Financial Statements
31 March 2021

Building a better
working world

Redington Distribution Pte Ltd and its Subsidiaries

Contents

The directors are 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 2021.

Opinion of the directors

In the opinion of the directors,

(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 2021 and the financial performance, changes in equity and cash flows of the Group and the financial performance 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.

Directors

The directors of the Company in office at the date of this statement is:

Raj Shankar
Vishnampet Sethuraman Hariharan @ Kumar

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 directors, 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, an interest in shares of the company as stated below:

	Held in the name of director	
	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

Directors' interests in shares and debentures (cont'd)

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option as at the end of the financial year.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

Raj Shankar

Raj Shankar
Director

Vishnampet Sethuraman Hariharan @ Kumar

Vishnampet Sethuraman Hariharan @ Kumar
Director

Singapore

19 May 2021

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 2021, 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 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 2021 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 Directors' statement set out on pages 1 and 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.

Independent Auditor's Report to the Member of Redington Distribution Pte Ltd

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

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

19 May 2021

Redington Distribution Pte Ltd and its Subsidiaries

Statements of Comprehensive Income
For the financial year ended 31 March 2021

	Note	Group 2021 US$	Group 2020 US$	Company 2021 US$	Company 2020 US$
Revenue					
Sales of goods	4	541,388,365	611,553,512	295,468,047	393,567,947
Other income					
Fee income	22	50,000	50,000	50,000	50,000
Interest income		144,798	347,730	72,248	335,109
Gain on fair value of foreign exchange forward contracts		277,192	191,802	–	–
Miscellaneous income		1,539,211	15,083	771,854	14,877
		543,399,566	612,158,127	296,362,149	393,967,933
Less: Cost and expenses					
Cost of goods sold		521,498,409	592,425,601	285,700,309	382,547,258
Reversal of write-down of trade receivables	12	(184,925)	(988,483)	(416,514)	(1,354,920)
Reversal of write-down of inventories	11	(2,137,990)	(133,632)	(1,877,900)	(211,189)
Depreciation of plant and equipment	7	91,843	166,365	2,977	9,819
Amortisation of intangible asset	8	3,364	3,102	–	–
Depreciation of right-of-use assets	9	431,834	697,524	145,903	225,047
Net exchange differences		(75,140)	(26,277)	(64,429)	128,134
Directors' remuneration	22	1,406,902	681,883	1,406,902	681,883
Staff costs					
- Salaries and bonuses		4,025,208	4,187,559	669,623	1,017,115
- CPF contributions		76,002	79,123	76,002	79,123
Finance costs		1,134,012	734,250	287,977	118,283
Impairment loss on investment in a subsidiary	10	–	–	333,195	–
Other operating expenses		5,334,282	3,438,619	1,727,748	1,551,338
		531,603,801	601,265,634	287,991,793	384,791,891
Profit before tax	5	11,795,765	10,892,493	8,370,356	9,176,042
Income tax expense	6	(2,460,082)	(2,812,083)	(2,011,725)	(2,502,730)
Profit for the year		9,335,683	8,080,410	6,358,631	6,673,312
Other comprehensive income: Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		(105,574)	(106,413)	–	–
Total comprehensive income for the year attributable to owner of the Company		9,230,109	7,973,997	6,358,631	6,673,312

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Redington Distribution Pte Ltd and its Subsidiaries

Balance Sheets
As at 31 March 2021

	Note	Group		Company	
		2021	**2020**	**2021**	**2020**
		US$	US$	US$	US$
Non-current assets					
Plant and equipment	7	255,513	301,437	10,906	11,871
Intangible assets	8	4,452	7,413	–	–
Right-of-use assets	9	1,777,704	2,745,770	416,942	562,845
Investment in subsidiaries	10	–	–	1,003,560	1,336,755
Deferred tax assets	21	163,065	182,210	–	–
		2,200,734	3,236,830	1,431,408	1,911,471
Current assets					
Inventories	11	21,084,885	41,718,005	12,287,998	27,190,578
Trade and other receivables	12	71,822,701	99,073,520	44,136,835	75,950,769
Derivative assets	13	11,011	45,974	–	–
Cash and cash equivalents	14	77,326,682	41,358,370	65,941,165	37,517,498
		170,245,279	182,195,869	120,365,998	140,658,845
Current liabilities					
Trade and other payables	15	104,331,604	120,364,994	62,140,188	86,006,454
Trust receipts	16	–	4,105,854	–	–
Contract liabilities	4	3,125,512	4,091,654	2,832,585	3,819,241
Lease liabilities	9	413,637	632,996	114,984	157,594
Income tax payable		2,388,353	2,360,243	2,026,203	2,143,294
		110,259,106	131,555,741	67,113,960	92,126,583
Net current assets		59,986,173	50,640,128	55,252,038	48,532,262
Non-current liabilities					
Other payables	15	204,920	167,425	–	–
Warranty provision	17	–	6,593	–	–
Lease liabilities	9	1,408,534	2,339,890	317,599	416,811
		1,613,454	2,513,908	317,599	416,811
Net assets		60,573,453	51,363,050	56,365,847	50,026,922
Equity					
Share capital	18	4,000,000	4,000,000	4,000,000	4,000,000
Retained earnings		57,384,714	48,049,031	51,806,669	45,448,038
Other reserve	19	559,178	578,884	559,178	578,884
Merger reserve	20	(926,402)	(926,402)	–	–
Foreign currency translation reserve		(444,037)	(338,463)	–	–
		60,573,453	51,363,050	56,365,847	50,026,922

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 2021

	Attributable to owner of the Company					
	Share capital (Note 18) US$	**Retained earnings** US$	**Foreign currency translation reserve** US$	**Other reserve (Note 19)** US$	**Merger reserve (Note 20)** US$	**Total** US$
Group						
Balance at 1 April 2020	4,000,000	48,049,031	(338,463)	578,884	(926,402)	51,363,050
Profit for the year	–	9,335,683	–	–	–	9,335,683
<u>Other comprehensive income</u>						
Foreign currency translation	–	–	(105,574)	–	–	(105,574)
Grant of equity-settled share options to employees	–	–	–	6,793	–	6,793
Return of equity-settled share options to the holding company	–	–	–	(26,499)	–	(26,499)
Balance at 31 March 2021	4,000,000	57,384,714	(444,037)	559,178	(926,402)	60,573,453

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 2021

	Share capital (Note 18) US$	Retained earnings US$	Foreign currency translation US$	Other reserve (Note 19) US$	Merger reserve (Note 20) US$	Total US$
Group						
Balance at 1 April 2019	4,000,000	42,617,459	(232,050)	547,124	(926,402)	46,006,131
Profit for the year	–	8,080,410	–	–	–	8,080,410
Effect of adoption of FRS 116 Leases	–	(148,838)	–	–	–	(148,838)
Other comprehensive income						
Foreign currency translation	–	–	(106,413)	–	–	(106,413)
Grant of equity-settled share options to employees	–	–	–	31,760	–	31,760
Total comprehensive income for the year	4,000,000	50,549,031	(338,463)	578,884	(926,402)	53,863,050
Distribution to owner						
Dividends paid (Note 27)	–	(2,500,000)	–	–	–	(2,500,000)
Balance at 31 March 2020	4,000,000	48,049,031	(338,463)	578,884	(926,402)	51,363,050

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 2021

	Attributable to owner of the Company			
Company	**Share capital (Note 18)** US$	**Retained earnings** US$	**Other reserve (Note 19)** US$	**Total** US$
Balance at 1 April 2020	4,000,000	45,448,038	578,884	50,026,922
Profit for the year	–	6,358,631	–	6,358,631
<u>Other comprehensive income</u>				
Grant of equity-settled share options to employees	–	–	6,793	6,793
Return of equity-settled share options to the holding company	–	–	(26,499)	(26,499)
Balance at 31 March 2021	4,000,000	51,806,669	559,178	56,365,847
Balance at 1 April 2019	4,000,000	41,280,576	547,124	45,827,700
Profit for the year	–	6,673,312	–	6,673,312
Effect of adoption of FRS 116 Leases	–	(5,850)	–	(5,850)
<u>Other comprehensive income</u>				
Grant of equity-settled share options to employees	–	–	31,760	31,760
Total comprehensive income for the year	4,000,000	47,948,038	578,884	52,526,922
<u>Distribution to owner</u>				
Dividends paid (Note 27)	–	(2,500,000)	–	(2,500,000)
Balance at 31 March 2020	4,000,000	45,448,038	578,884	50,026,922

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Redington Distribution Pte Ltd and its Subsidiaries

Consolidated Cash Flow Statement
For the financial year ended 31 March 2021

	2021 US$	2020 US$
Cash flows from operating activities		
Profit before tax	11,795,765	10,892,493
Adjustments for:		
Depreciation of plant and equipment	91,843	166,365
Depreciation of right-of-use assets	431,834	697,524
Amortisation of intangible asset	3,364	3,102
Reversal of write-down of trade receivables	(184,925)	(988,483)
Reversal of write-down of inventories	(2,137,990)	(133,632)
Grant of equity-settled share options to employees	6,793	31,760
Return of equity-settled share options to the holding company	(26,499)	–
(Gain)/loss on disposal of plant and equipment	(27)	291
Gain on fair value of foreign exchange forward contracts	(277,192)	(191,802)
Provision for retirement benefit obligations	15,962	8,711
Reversal of provision for warranty obligations	(3,318)	(12,174)
Interest expense	1,134,012	734,250
Interest income	(144,798)	(347,730)
Currency realignment	(112,651)	(116,274)
Operating profit before changes in working capital	10,592,173	10,744,401
Decrease/(Increase) in inventories	22,771,110	(19,461,749)
Decrease in trade and other receivables	27,472,962	12,175,389
(Decrease)/Increase in trade and other payables	(16,819,983)	20,860,935
Cash generated from operating activities	44,016,262	24,318,976
Interest received	144,798	347,730
Interest expense	(1,018,716)	(593,300)
Income tax paid	(2,419,921)	(1,978,481)
Net cash generated from operating activities	40,722,423	22,094,925
Cash flows from investing activities		
Purchase of plant and equipment and intangible assets	(76,633)	(161,754)
Proceeds from disposal of plant and equipment	30,929	311
Net cash used in investing activities	(45,704)	(161,443)
Cash flows from financing activities		
Dividends paid on ordinary shares	–	(2,500,000)
Repayment of principal portion of lease liabilities	(487,257)	(607,717)
Repayment of interest on lease liabilities	(115,296)	(140,950)
Repayment of trust receipts	(4,105,854)	(6,686,841)
Net cash used in financing activities	(4,708,407)	(9,935,508)
Net increase in cash and cash equivalents	35,968,312	11,997,974
Cash and cash equivalents at beginning of the financial year	41,358,370	29,360,396
Cash and cash equivalents at end of the financial year (Note 14)	77,326,682	41,358,370

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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 10 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 new and revised standards that are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2. Summary of significant accounting policies (cont'd)

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**
Amendment to FRS 116 Leases: Covid-19-Related Rent Concessions	1 June 2020
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendment to FRS 110 and FRS 28: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors expect that the adoption of the other standards and interpretation above will have no material impact on the financial statements in the period of initial application.

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 (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(a) Basis of consolidation (cont'd)

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.

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill (cont'd)

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

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.

(c) Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

– The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
– No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
– No additional goodwill is recognised as a result of the combination.
– Any difference between the consideration paid/transferred and the equity "acquired" is reflected within the equity as merger reserve.
– The statement of comprehensive income reflects the results of the combining entities only from the acquisition date.

Comparatives are not restated for periods prior to the combination under common control occurring.

2. Summary of significant accounting policies (cont'd)

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.

2.6 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	-	5 -10 years
Leasehold improvements	-	5 years
Motor vehicle	-	3 - 5 years

Asset under construction included in plant and equipment method are not depreciated as these assets are not yet available for use.

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.

2. Summary of significant accounting policies (cont'd)

2.6 Plant and equipment (cont'd)

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.

2.8 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.

2. Summary of significant accounting policies (cont'd)

2.8 Impairment of non-financial assets (cont'd)

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.

In the Company's balance sheet, 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.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

2. Summary of significant accounting policies (cont'd)

2.10 Financial instruments (cont'd)

(a) Financial assets *(cont'd)*

Subsequent measurement (cont'd)

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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 for debt instruments is recognised in profit or loss.

(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. Summary of significant accounting policies (cont'd)

2.11 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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. Summary of significant accounting policies (cont'd)

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.

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.

2. Summary of significant accounting policies (cont'd)

2.15 Employee benefits (cont'd)

Employee share option plans (cont'd)

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.

2.16 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) *Rights-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office premises	3 – 7 years
Warehouses	3 – 7 years
Showroom	7 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8.

2. Summary of significant accounting policies (cont'd)

2.16 Leases (cont'd)

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low- value assets are recognised as expense on a straight-line basis over the lease term.

2.17 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good to the customer, which is when the customer obtains control of the goods. A performance obligation is satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

2. Summary of significant accounting policies (cont'd)

2.17 Revenue (cont'd)

(a) Sale of computers, computer peripherals and components

The Group supplies computers, computer peripherals and components for external customers.

Revenue is recognised at a point in time when control of the products has transferred, being when the products are delivered to the customers based on the sales incoterms. Delivery occurs when the products have been shipped to the specific location and all criteria for acceptance have been satisfied. The goods are often sold with retrospective sales commissions based on the aggregate sales over a period of time.

The Group recognises the expected sales commissions payable to the dealers when consideration have been received from customers. At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes.

(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 (cont'd)

2.18 Taxes (cont'd)

(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.

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.

2. Summary of significant accounting policies (cont'd)

2.18 Taxes (cont'd)

(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.

2.20 Government grants

Government grants are recognised at their fair values where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheets and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them to the costs that it is intended to compensate.

3. Significant accounting judgments and estimates

The preparation of the Group's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosures of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policy

Determination of lease term of contracts with extension options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the extension option in the lease term for leases of office, warehouses and showroom as the management is reasonably certain that the option will be exercised.

Income taxes

The Group has exposure to income taxes in Singapore, Qatar and India. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of income tax payable of the Group and the Company as at 31 March 2021 are US$2,388,353 and US$2,026,203 (2020: US$2,360,243 and US$2,143,294) respectively.

3. Significant accounting judgments and estimates (cont'd)

3.2 Key sources of estimation uncertainty

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for various customers that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amount of trade receivables of the Group and the Company as at 31 March 2021 are US$ 67,841,375 and US$ 40,639,820 (2020: US$94,686,431 and US$72,073,269) respectively.

4. Sales of goods

(a) Disaggregation of revenue

Segments	**Group**	
	2021	**2020**
	US$	US$
Major product or service lines		
Sales of goods	541,388,365	611,553,512
Timing of transfer of goods		
At a point in time	541,388,365	611,553,512

Segments	**Company**	
	2021	**2020**
	US$	US$
Major product or service lines		
Sales of goods	295,468,047	393,567,947
Timing of transfer of goods		
At a point in time	295,468,047	393,567,947

4. Sales of goods (cont'd)

(b) Contract liabilities

Information about receivables and contract liabilities from contracts with customers is disclosed as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$	US$	US$	US$
Receivables from contracts with customers	67,841,375	94,686,431	40,639,820	72,073,269
Contract liabilities	3,125,512	4,091,654	2,832,585	3,819,241

The Group and the Company have recognised reversal of impairment losses on receivables arising from contracts with customers amounting to US$184,925 and US$416,514 (2020: US$988,483 and US$1,354,920) respectively.

Contract liabilities primarily relate to the Group's and Company's obligation to transfer goods to customers for which the Group and the Company have received advances from customers.

Contract liabilities are recognised as revenue as the Group and the Company perform under the contract.

Significant changes in contract liabilities are explained as follows:

	2021	**2020**
	US$	US$
Revenue recognised that was included in the contract liability balance at the beginning of the year	1,634,348	2,099,990

5. Profit before tax

The following items have been included in arriving at profit before tax:

	Group		Company	
	2021 US$	**2020** US$	**2021** US$	**2020** US$
Reversal of write-down of trade receivables (Note 12)	(184,925)	(988,483)	(416,514)	(1,354,920)
Reversal of write-down of inventories (Note 11)	(2,137,990)	(133,632)	(1,877,900)	(211,189)
Depreciation of plant and equipment (Note 7)	91,843	166,365	2,977	9,819
Amortisation of intangible asset (Note 8)	3,364	3,102	–	–
Depreciation of right-of-use assets (Note 9)	431,834	697,524	145,903	225,047
Bank charges	444,543	444,789	255,716	186,280
Impairment loss on investment in a subsidiary (Note 10)	–	–	333,195	–
Gain on fair value of foreign exchange forward contracts	(277,192)	(191,802)	–	–
Government grants	(189,004)	–	(189,004)	–

Government grants relate to the Job Support Scheme ("JSS") received from the Singapore Government to help businesses deal with the impact from COVID-19. For the benefits from the JSS under the Unity and Resilience Budgets, which were announced in the financial year ended 31 March 2020 and together with the extended benefits announced in April 2020 under the Solidarity Budget and Fortitude Budget and the Ministerial Statement announced on 17 August 2020, the JSS grants are to be recognised as income over the period from April 2020 to August 2021.

6. Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 March 2021 and 2020 are:

	Group		Company	
	2021 US$	**2020** US$	**2021** US$	**2020** US$
Statements of Comprehensive Income:				
Current income tax: -				
- Current year	1,915,871	1,975,084	1,471,945	1,589,036
- Over provision in respect of previous years	(17,242)	(42,836)	(7,366)	(40,913)
- Withholding tax	547,146	400,348	547,146	400,348
- India tax provision	–	554,259	–	554,259
	2,445,775	2,886,855	2,011,725	2,502,730
Deferred income tax: -				
- Origination and reversal of temporary differences	19,145	(61,297)	–	–
- Currency adjustments	(4,838)	(13,475)	–	–
	14,307	(74,772)	–	–
	2,460,082	2,812,083	2,011,725	2,502,730

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 2021 and 2020 is as follows:

	Group		Company	
	2021 US$	**2020** US$	**2021** US$	**2020** US$
Profit before tax	11,795,765	10,892,493	8,370,356	9,176,042
Tax at domestic rates	1,880,815	1,766,244	1,422,961	1,559,927
Adjustments:				
Non-deductible expenses	153,325	92,178	62,086	4,622
Income not subject to taxation	(7,576)	(8,634)	–	–
Over provision in respect of previous years	(17,242)	(42,836)	(7,366)	(40,913)
Effect of partial tax exemption and tax relief	(99,619)	(32,327)	(13,102)	(27,536)
Withholding tax	547,146	400,348	547,146	400,348
Deferred tax assets not recognised	3,002	14,308	–	–
Others	231	68,543	–	52,023
India tax provision	–	554,259	–	554,259
Income tax expense	2,460,082	2,812,083	2,011,725	2,502,730

7. Plant and equipment

Group	Computer US$	Furniture and equipment US$	Leasehold improvements US$	Motor vehicle US$	Capital work-in-progress US$	Total US$
Cost						
At 1 April 2019	329,205	607,486	–	51,614	23,079	1,011,384
Additions	96,607	17,585	37,873	–	–	152,065
Reclassification	–	–	23,079		(23,079)	–
Disposals	(3,994)	(460)	–	(16,924)	–	(21,378)
Exchange differences	(5,546)	(6,922)	(125)	(280)	–	(12,873)
At 31 March 2020 and 1 April 2020	416,272	617,689	60,827	34,410	–	1,129,198
Additions	48,233	27,777	–	–	–	76,010
Disposals	(48,347)	(282,519)	–	–	–	(330,866)
Exchange differences	(5,345)	(7,044)	(491)	(277)	–	(13,157)
At 31 March 2021	410,813	355,903	60,336	34,133	–	861,185
Accumulated depreciation						
At 1 April 2019	245,079	395,641	–	51,614	–	692,334
Depreciation charge for the financial year (Note 5)	54,479	111,878	8	–	–	166,365
Disposals	(3,558)	(294)	–	(16,924)	–	(20,776)
Exchange differences	(3,750)	(6,132)	–	(280)	–	(10,162)
At 31 March 2020 and 1 April 2020	292,250	501,093	8	34,410	–	827,761
Depreciation charge for the financial year (Note 5)	43,714	45,086	3,043	–	–	91,843
Disposals	(30,773)	(269,191)	–	–	–	(299,964)
Exchange differences	(9,462)	(4,203)	(26)	(277)	–	(13,968)
At 31 March 2021	295,729	272,785	3,025	34,133	–	605,672
Net carrying amount:						
At 31 March 2021	115,084	83,118	57,311	–	–	255,513
At 31 March 2020	124,022	116,596	60,819	–	–	301,437

7. Plant and equipment (cont'd)

Company	Computer US$	Furniture and equipment US$	Total US$
Cost			
At 1 April 2019	114,015	15,248	129,263
Additions	576	8,036	8,612
At 31 March 2020 and 1 April 2020	114,591	23,284	137,875
Additions	2,012	–	2,012
At 31 March 2021	116,603	23,284	139,887
Accumulated depreciation			
At 1 April 2019	104,734	11,451	116,185
Depreciation charge for the financial year (Note 5)	8,501	1,318	9,819
At 31 March 2020 and 1 April 2020	113,235	12,769	126,004
Depreciation charge for the financial year (Note 5)	1,459	1,518	2,977
At 31 March 2021	114,694	14,287	128,981
Net carrying amount:			
At 31 March 2021	1,909	8,997	10,906
At 31 March 2020	1,356	10,515	11,871

8. Intangible assets

Group	Computer software US$
Cost	
At 1 April 2019	26,046
Additions	9,689
Exchange differences	(1,906)
At 31 March 2020 and 1 April 2020	33,829
Additions	623
Exchange differences	(1,829)
At 31 March 2021	32,623
Accumulated amortisation	
At 1 April 2019	25,348
Amortisation charge for the financial year (Note 5)	3,102
Exchange differences	(2,034)
At 31 March 2020 and 1 April 2020	26,416
Amortisation charge for the financial year (Note 5)	3,364
Exchange differences	(1,609)
At 31 March 2021	28,171
Net carrying amount:	
At 31 March 2021	4,452
At 31 March 2020	7,413

Intangible assets relate to cost incurred on computer software. This is amortised on a straight-line basis over 5 years.

9. Right-of-use assets/lease Liabilities

The Group has a lease contract for its office premises, warehouses and showroom with a lease term of 3 - 7 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

(a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	2021			
Group	**Office premises** US$	**Warehouses** US$	**Showroom** US$	**Total** US$
At beginning of year	1,072,391	1,083,309	590,070	2,745,770
Additions	561,018	–	–	561,018
Modification of lease liability	(406,490)	(130,365)	(549,069)	(1,085,924)
Depreciation of right-of-use assets	(254,045)	(136,788)	(41,001)	(431,834)
Currency adjustments	(7,324)	(4,002)	–	(11,326)
At end of year	965,550	812,154	–	1,777,704

	2020			
Group	**Office premises** US$	**Warehouses** US$	**Showroom** US$	**Total** US$
At beginning of year	582,851	1,411,659	727,865	2,722,375
Additions	735,058	–	–	735,058
Depreciation of right-of-use assets	(248,068)	(319,274)	(130,182)	(697,524)
Currency adjustments	2,550	(9,076)	(7,613)	(14,139)
At end of year	1,072,391	1,083,309	590,070	2,745,770

9. Right-of-use assets/lease Liabilities (cont'd)

(a) Right-of-use assets (cont'd)

Company		**2019**	
	Office premises US$	**Warehouses** US$	**Total** US$
At beginning of year	518,888	43,957	562,845
Depreciation of right-of-use assets	(101,946)	(43,957)	(145,903)
At end of year	416,942	–	416,942

Company		**2020**	
	Office premises US$	**Warehouses** US$	**Total** US$
At beginning of year	–	175,434	175,434
Additions	612,458	–	612,458
Depreciation of right-of-use assets	(93,570)	(131,477)	(225,047)
At end of year	518,888	43,957	562,845

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year.

	Group 2021 US$	**Group 2020** US$	**Company 2021** US$	**Company 2020** US$
At beginning of year	2,972,886	2,871,213	574,405	181,284
Additions	32,982	735,058	–	612,458
Modification of lease liability	(679,368)	–	–	–
Accretion of interest	115,296	140,950	19,777	25,913
Lease payments	(602,553)	(748,667)	(161,599)	(245,250)
Currency adjustments	(17,072)	(25,668)	–	–
At end of year	1,822,171	2,972,886	432,583	574,405

9. Right-of-use assets/lease Liabilities (cont'd)

(b) Lease liabilities (cont'd)

	Group 2021 US$	Group 2020 US$	Company 2021 US$	Company 2020 US$
Comprising:				
Current portion	413,637	632,996	114,984	157,594
Non-current portion	1,408,534	2,339,890	317,599	416,811
Total lease liabilities	1,822,171	2,972,886	432,583	574,405

During the financial year, the Group renegotiated and modified existing lease contract for office premises and warehouses by reducing the scope of the lease. The lease modification is not accounted as separate lease with a reduction to the least liability and corresponding to the right-of-use asset.

(c) Amounts recognised in statement of comprehensive income

	Group 2021 US$	Group 2020 US$	Company 2021 US$	Company 2020 US$
Depreciation of right-of-use assets	431,834	697,524	145,903	225,047
Interest expense on leases liabilities	115,296	140,950	19,777	25,913
Total amount recognised in statement of comprehensive income	547,130	838,474	165,680	250,960

(d) Extension options

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 3.1).

10. Investment in subsidiaries

Name of Company (Country of incorporation	Principal activities (Place of business)	Cost of investment 2021 US$	Cost of investment 2020 US$	Proportion of ownership interest 2021 %	Proportion of ownership interest 2020 %
Held by the Company					
Redington Bangladesh Limited (Bangladesh)	Marketing, selling and maintenance of computer hardware, accessories and spare parts (Bangladesh)	51,294	51,294	99	99
Redington SL Private Limited # (Sri Lanka)	Wholesale distribution of Information Technology products and spare parts (Sri Lanka)	250,000	250,000	100	100
Redington Qatar Distribution WLL (Qatar)*	Wholesale distribution of Information Technology products and spare parts (Qatar)	490,453	490,453	49	49
Redington Qatar WLL (Qatar)*	Servicing of information technology products (Qatar)	211,813	545,008	49	49
		1,003,560	1,336,755		

* Beneficial interest is 100%

The business acquisition of Redington Qatar Distribution WLL and Redington Qatar WLL does not meet the definition of a ‘Business Combination’ under FRS 103 since it does not result in any change of economic substance as far as shareholders of Redington Qatar Distribution WLL and Redington Qatar WLL are concerned. This transaction is a business combination involving entities under common control and accordingly, the Group has applied the pooling of interest method.

The assets and liabilities of Redington Qatar Distribution WLL and Redington Qatar WLL acquired as at 2 December 2018 have been recorded at book values and the difference between the consideration paid and net assets of the business acquired is reflected within merger reserve.

During the financial year, management performed an impairment test for its investment in Redington Qatar WLL. An impairment loss of US$333,195 (2020: US$ Nil) was recognised for the financial year ended 31 March 2021 to write down the investment cost to its recoverable amount. The recoverable amount of investment in Redington Qatar WLL was determined as US$211,813.

11. Inventories

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$	US$	US$	US$
Balance sheet:				
Finished goods (at cost or net realisable value)	21,084,885	41,718,005	12,287,998	27,190,578
Income statement:				
Inventories recognised as an expense in cost of sales	521,498,409	592,425,601	285,700,309	382,547,258
Inclusive of the following charge:				
- Reversal of write-down of inventories (Note 5)	(2,137,990)	(133,632)	(1,877,900)	(211,189)

12. Trade and other receivables

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$	US$	US$	US$
Trade and other receivables				
Trade receivables:				
- External	67,418,307	94,610,502	39,405,000	70,963,636
- Amount due from holding company	13,030	27,059	13,030	27,059
- Amount due from related company	410,038	48,870	–	–
- Amount due from subsidiaries	–	–	1,221,790	1,082,574
Total trade receivables	67,841,375	94,686,431	40,639,820	72,073,269

12. Trade and other receivables (cont'd)

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$	US$	US$	US$
Other receivables				
Deposits	188,385	184,461	76,356	70,034
Staff loan	18,146	10,636	11	7,016
GST receivables	1,265,059	2,275,490	1,265,059	2,275,490
Sundry receivables	2,296,218	1,618,838	2,022,054	1,340,284
Prepayments	213,518	297,664	133,535	184,676
Total trade and other receivables	71,822,701	99,073,520	44,136,835	75,950,769
Less: GST receivables	(1,265,059)	(2,275,490)	(1,265,059)	(2,275,490)
Prepayments	(213,518)	(297,664)	(133,535)	(184,676)
	70,344,124	96,500,366	42,738,241	73,490,603
Cash and cash equivalents (Note 14)	77,326,682	41,358,370	65,941,165	37,517,498
Total financial assets carried at amortised cost	147,670,806	137,858,736	108,679,406	111,008,101

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days terms (2020: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are impaired

There are no trade receivables that are impaired at the end of the reporting period.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$	US$	US$	US$
Movement in allowance accounts:				
At 1 April	3,205,367	4,241,933	2,628,409	3,983,329
Reversal of written down of trade receivables (Note 5)	(184,925)	(988,483)	(416,514)	(1,354,920)
Exchange differences	(58,221)	(48,083)	–	–
At 31 March	2,962,221	3,205,367	2,211,895	2,628,409

13. Derivative assets

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$	US$	US$	US$
Forward currency contracts	11,011	45,974	–	–
Nominal amount	338,000	3,700,000	–	–

Forward currency contracts are used to hedge foreign currency risk arising from the Group's purchases denominated in USD for which firm commitments existed at the end of the reporting period.

14. Cash and cash equivalents

Cash and cash equivalents included in the consolidated cash flow statement comprise the following balance sheet amounts:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$	US$	US$	US$
Fixed deposits	891,157	120,478	831,073	61,932
Cash and bank balances	76,435,525	41,237,892	65,110,092	37,455,566
	77,326,682	41,358,370	65,941,165	37,517,498

Cash and cash equivalents denominated in foreign currency at 31 March is as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$	US$	US$	US$
Singapore Dollar	1,125,352	5,143,039	1,125,352	5,143,039
Qatar Riyal	5,235,248	3,623,191	–	–
Bangladesh Taka	87,272	88,802	–	–
Sri Lanka Rupee	992,485	59,649	–	–

15. Trade and other payables

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$	US$	US$	US$
Non-current:				
Other payables	204,920	167,425	–	–
Current:				
Trade payables				
- External	77,143,201	98,133,491	59,023,790	81,950,741
- Amount due to a related company	22,760,211	18,220,352	659,811	1,173,868
Amount due to an external party	135,616	888,345	135,616	888,345
Accrued operating expenses	4,007,638	3,027,020	2,320,971	1,993,500
Other payables	284,938	95,786	–	–
Total trade payables (current)	104,331,604	120,364,994	62,140,188	86,006,454
Total trade and other payables, representing total financial liabilities carried at amortised cost	104,536,524	120,532,419	62,140,188	86,006,454

Trade payables/other payables

These amounts are non-interest bearing. These are normally settled within 90 days.

Amount due to an external party

The Company has agreed on an instalment payment arrangement with an external party amounting to US$ 135,616 (2020: US$888,345) for a three-year instalment payment on equal quarterly basis. The external party retains the right to recall the amount due to them on demand. This amount is unsecured, interest free and expected to be settled in cash.

16. Trust receipts

	Group 2021 US$	Group 2020 US$
Current:		
Trust receipts	–	4,105,854

In 2020, trust receipts bore interest range from 4.09% to 15% and were secured by corporate guarantee from a related company or pari passu charge on current assets with banks.

17. Warranty provision

	Group 2021 US$	Group 2020 US$
At 1 April	6,593	19,681
Reversal during the financial year	(3,318)	(12,174)
Exchange differences	(3,275)	(914)
At 31 March	–	6,593

18. Share capital

	Group and Company 2021 US$	Group and Company 2020 US$
Issued and fully paid: -		
3,800,000 ordinary shares	4,000,000	4,000,000

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.

19. Other reserve

Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to director and employees. The reserve is made up of the cumulative value of services received from director and employees recorded over the vesting period commencing from the grant date of equity-settled share options.

	Group and Company	
	2021	2020
	US$	US$
At 1 April	578,884	547,124
Charge during the financial year	6,793	31,760
Return of equity-settled share options to the holding company	(26,499)	–
At 31 March	559,178	578,884

Employee Stock Option Plan 2008

The director 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 2021 and 31 March 2020.

Stock Appreciation Right (“SAR”) – 2017

On 30 December 2017 (“Grant Date”), the holding company granted 190,000 SAR to the employees of the Company over a vesting period of 3 years under the SAR Scheme 2017. Under the terms of this plan, the holding company entitles the employees to receive its equity shares equivalent to the increase in the value of one equity share from the Grant Date. As at 31 March 2021, the SAR outstanding was 115,000 as certain employees have been transferred to holding company and accordingly, the expenses are recorded in the related companies’ financial statements. During the year, the equity-settled share options amounting to US$ 26,499 (2020: US$ Nil) have been transferred to the holding company and credited to “Staff salaries and benefits” under staff costs in the consolidated statement of profit or loss and other comprehensive income and under the “Equity-settled employee benefits reserve” in the consolidated statement of changes in equity.

The SAR vests over the period of 3 years in the following manner: 10% at the end of year 1; 20% at the end of year 2 and 70% at the end of year 3 from the Grant Date.

The fair value of the shares granted, being US$ 6,793 (2020: US$ 31,760) is recorded as “Staff salaries and benefits” under staff costs in the consolidated statement of profit or loss and other comprehensive income and under the “Equity-settled employee benefits reserve” in the consolidated statement of changes in equity.

19. Other reserve (cont'd)

Employee share option reserve (cont'd)

Stock Appreciation Right ("SAR") – 2017 (cont'd)

The fair value of each share granted is estimated on the Grant Date using the following Black-Scholes option pricing model with the weighted average assumptions over the vesting period from the Grant Date.

Vesting Period

	30 December		
	2019	**2020**	**2021**
Market price (in US$)	2.7	2.7	2.7
Expected life (in years)	3.5	4.5	4.1
Volatility (%)	33.94	36.92	35.72
Risk-free rate (%)	6.93	7.09	7.02
Exercise price (in US$)	2.3	2.3	2.3
Dividend yield (%)	1.2	1.2	1.2
Fair value per vest (US$)	1.0	1.2	1.0

20. Merger reserve

Merger reserve represents the difference between the considerations paid exceeds/is less than the nominal value of the share capital issued in respect of the acquisition of subsidiaries accounted for under pooling-of-interest method.

21. Deferred tax assets

Deferred tax as at 31 March relates to the following:

	Group	
	2021	**2020**
	US$	US$
Deferred tax assets:		
Provisions	163,065	182,210

22. 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:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$	US$	US$	US$
Holding company: -				
- Service Fee	57,382	56,525	57,382	56,525
Related companies: -				
- Fee Income	50,000	50,000	50,000	50,000
- Sales	653,704	776,208	–	–
- Miscellaneous income	572,831	–	572,831	–
- Purchases	(26,203,858)	(32,228,191)	–	–
- Service Charges	(161,019)	(146,353)	(161,019)	(146,353)
- Miscellaneous expenses	(2,362,843)	–	–	–
- Finance Costs	(613,116)	–	–	–
Subsidiary companies: -				
- Sales	–	–	6,528,283	12,775,607
- Service charges	–	–	(548,925)	(567,135)

The above transactions are at rates agreed between the parties.

(b) *Compensation of key management personnel*

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$	US$	US$	US$
Short term employee benefit	1,400,000	675,182	1,400,000	675,182
Contributions to defined contribution schemes	6,902	6,701	6,902	6,701
	1,406,902	681,883	1,406,902	681,883
Comprise amount paid to:				
- Director of the Company	1,406,902	681,883	1,406,902	681,883

In 2021, the short term employee benefit includes differential performance bonus related to FY2020 amounting to US$ 290,977.

23. Commitments and contingencies

Legal claims contingency

In the ordinary course of business, the Group and Company face claims and assertions by various parties. The Group and Company assess such claims and assertions and monitors the legal environment on an on-going basis with the assistance of external legal counsel, wherever necessary. The Group and the Company record a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group and the Company provide disclosure in the financial statements but do not record a liability in its accounts unless the loss becomes probable.

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$	US$	US$	US$
Disputed Tax demands				
India Income Tax	26,376,220	26,376,220	26,376,220	26,376,220

Demand raised by India Income Tax Department for USD 26,930,479 contending there is a Permanent Establishment in India by Redington Distribution Pte. Ltd. (the “Company”) relating to Financial Years 2010-11 to 2015-16. The Company had made a pre-deposit of USD 1,971,863 under protest as part of the proceedings. The Company is contesting the demand before the appropriate legal forum. Based on the management’s assessment of the demand raised and opinion of the legal counsel and tax advisor, the Company created a provision to the extent of USD 554,259 for all the 6 financial years put together.

The legal counsel and tax advisor also opined that apart from the above provision, the rest of the demand is not sustainable in law. The Company also believes that such amount has been determined in an arbitrary manner and there would be no material adverse outcome in this matter. Hence, no provision is created in the books for the remaining amount of USD 26,376,220 (US$26,930,479 ***Less:*** US$554,259).

24. 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, liquidity risk and foreign currency risk. The policies for managing each of these risks are summarised below. The Group does not hold or engages derivative financial instruments.

The following sections provide details regarding the Group’s exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group’s exposure to these financial risks or the manner in which it manages and measures the risks.

24. Financial risk management objectives and policies (cont'd)

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 with high credit rating. 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.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

24. Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by customers. The expected credit losses also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Information regarding loss allowance movement of trade receivables is disclosed in Note 12.

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:

	Group	
	2021	**2020**
	US$	US$
By country:		
India	27,529,887	56,033,626
Sri Lanka	4,946,211	4,455,270
Bangladesh	4,655,309	9,137,414
Qatar	24,820,653	20,700,472
Other countries	8,851,536	7,565,016
	70,803,596	97,891,798

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.

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.

24. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

Group	One year or less US$	2021 Two to five years US$	Total US$
Financial assets:			
Trade and other receivables, excluding GST receivables and prepayments (Note 12)	70,344,124	–	70,344,124
Cash and cash equivalents (Note 14)	77,326,682	–	77,326,682
Total undiscounted financial assets	147,670,806	–	147,670,806
Financial liabilities:			
Trade and other payables (Note 15)	104,331,604	204,920	104,536,524
Lease liabilities	454,199	1,512,023	1,966,222
Total undiscounted financial liabilities	104,785,803	1,716,943	106,502,746
Total net undiscounted financial assets/ (liabilities)	42,885,003	(1,716,943)	41,168,060

Group	One year or less US$	2020 Two to five years US$	Total US$
Financial assets:			
Trade and other receivables, excluding GST receivables and prepayments (Note 12)	96,500,366	–	96,500,366
Cash and cash equivalents (Note 14)	41,358,370	–	41,358,370
Total undiscounted financial assets	137,858,736	–	137,858,736
Financial liabilities:			
Trade and other payables (Note 15)	120,364,994	167,425	120,532,419
Trust receipts (Note 16)	4,105,854	–	4,105,854
Lease liabilities	748,959	2,548,643	3,297,602
Total undiscounted financial liabilities	125,219,807	2,716,068	127,935,875
Total net undiscounted financial assets/ (liabilities)	12,638,929	(2,716,068)	9,922,861

24. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

Company	**2021** **One year or less** US$	**Two to five years** US$	**Total** US$
Financial assets:			
Trade and other receivables, excluding GST receivables and prepayments (Note 12)	42,738,241	–	42,738,241
Cash and cash equivalents (Note 14)	65,941,165	–	65,941,165
Total undiscounted financial assets	108,679,406	–	108,679,406
Financial liabilities:			
Trade and other payables (Note 15)	62,140,188	–	62,140,188
Lease liabilities	114,984	354,534	469,518
Total undiscounted financial liabilities	62,255,172	354,534	62,609,706
Total net undiscounted financial assets/ (liabilities)	46,424,234	(354,534)	46,069,700

Company	**2020** **One year or less** US$	**Two to five years** US$	**Total** US$
Financial assets:			
Trade and other receivables, excluding GST receivables and prepayments (Note 12)	73,490,603	–	73,490,603
Cash and cash equivalents (Note 14)	37,517,498	–	37,517,498
Total undiscounted financial assets	111,008,101	–	111,008,101
Financial liabilities:			
Trade and other payables (Note 15)	86,006,454	–	86,006,454
Lease liabilities	177,369	453,813	631,182
Total undiscounted financial liabilities	86,183,823	453,813	86,637,636
Total net undiscounted financial assets/ (liabilities)	24,824,278	(453,813)	24,370,465

24. Financial risk management objectives and policies (cont'd)

Foreign currency risk

During the ordinary course of business, the Group engages in foreign currency denominated transactions. As a result, the Group is exposed to movement in foreign currency exchange rates. The Group's main foreign currency is Singapore dollars ("SGD").

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. Further details are disclosed in Note 14 to the financial statements.

<u>Sensitivity analysis for foreign currency risk</u>

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the SGD exchange rate with all other variables held constant:

		Profit net of tax	
		2021	**2020**
		US$	US$
SGD/USD	- strengthened 3% (2020: 3%)	14,046	126,481
	- weakened 3% (2020: 3%)	(14,046)	(126,481)

25. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categories 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 or liabilities that the Company can access at the measurement date,

Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or 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.

25. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value

The following table shows the analysis of Group's financial assets carried at fair value by level of fair value hierarchy:

Group	**Level 1** US$	**Level 2** US$	**Level 3** US$	**Total** US$
2021				
Derivatives				
- Forward currency contracts	–	11,011	–	11,011
2020				
Derivatives				
- Forward currency contracts	–	45,974	–	45,974

(c) Level 2 fair value measurements

Derivative

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves 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, trade and other receivables, trade and other payables and trust receipts based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature.

The carrying amounts of lease liabilities approximate their fair values as its incremental borrowing rate ("IBR") used to measure lease liabilities is close to market rate of interests for similar arrangement with financial institutions.

26. 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 2021 and 31 March 2020.

27. Dividends on ordinary shares

	Group	
	2021	**2020**
	US$	US$
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2019: 65.79 cents	–	2,500,000

28. COVID-19 Outbreak

The Company is monitoring the development of the COVID-19 outbreak closely, assessing and reacting actively to its impact on the financial position and operational results of the Company.

29. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the director on 19 May 2021.

Redserv Business Solutions Private Limited *(in ₹ thousands)*

Balance Sheet as at	Note No.	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	763	-
Right-of-use assets	5	-	4,359
Financial assets			
Other financial assets	6	-	2,839
Income tax assets (net)		119	-
Other non-current assets	7	-	37
Total non - current assets		**882**	**7,235**
Current assets			
Financial assets			
Trade receivables	8	1,397	-
Cash and cash equivalents	9	1,841	42
Others financial assets	6	223	-
Other current assets	10	167	223
Total current assets		**3,628**	**265**
Total assets		**4,510**	**7,500**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	1,000	1,000
Other equity		(15,401)	(15,310)
Total equity		**(14,401)**	**(14,310)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	12	-	712
Provisions	13	174	-
Total non - current liabilities		**174**	**712**
Current liabilities			
Financial liabilities			
Borrowings	14	10,487	8,240
Lease liabilities	12	-	4,374
Trade payables	15		
(A) total outstanding dues of micro enterprises and small enterprises		64	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		478	1,113
Other financial liabilities	16	133	-
Other current liabilities	17	7,535	7,371
Provisions	13	39	-
Total current liabilities		**18,736**	**21,098**
Total equity and liabilities		**4,510**	**7,500**

The accompanying notes form an integral part of the financial statements

As per our report of even date

For R.G.Rajan Associates

Chartered Accountants

Firm Registration Number : 003429S

R.G.Rajan

Partner

Membership Number 025437

Place : Chennai

Date : 19-May-21

For and on behalf of the Board

Sriram Ganeshan
Director

Sunder S
Director

Redserv Business Solutions Private Limited

(In ₹ thousands except equity share and per equity share data)

Statement of Profit and Loss	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	18	8,630	-
Other income	19	522	226
Total income		**9,152**	**226**
Expenses			
Employee benefits expense	20	3,760	-
Finance costs	21	226	585
Depreciation and amortisation expense	4 & 5	2,975	3,737
Other expenses	22	2,282	5,031
Total Expenses		**9,243**	**9,353**
Profit / (loss) before tax		(91)	(9,127)
Tax expenses			
Current Tax		-	-
Deferred tax		-	-
Total tax expenses		-	-
Profit / (loss) for the period		**(91)**	**(9,127)**
Other comprehensive income		-	-
Total comprehensive income for the peirod		**(91)**	**(9,127)**
Earnings per equity share:			
Basic (in ₹)	23	(0.91)	(91.27)
Diluted (in ₹)		(0.91)	(91.27)
Weighted average equity shares used in computing earnings per equity share			
Basic	23	1,00,000	1,00,000
Diluted		1,00,000	1,00,000

The accompanying notes form an integral part of the financial statements

As per our report of even date
For R.G.Rajan Associates
Chartered Accountants
Firm Registration Number : 003429S

R.G.Rajan
Partner
Membership Number 025437

Place : Chennai
Date : 19-May-21

For and on behalf of the Board

Sriram Ganeshan
Director

Sunder S
Director

R.G. RAJAN ASSOCIATES 10 (OLD: 17) RADHA KRISHNAN ST. T.NAGAR, CHENNAI 17 FR No. 003429S CHARTERED ACCOUNTANTS

REDSERV BUSINESS SOLUTIONS PVT. LTD.

Redserv Business Solutions Private Limited
Statement of Changes in Equity

A. Equity share capital *(in ₹ thousands)*

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
1,000	-	1,000

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
1,000	-	1,000

B. Other equity

Particulars	Reserves and surplus Retained earnings	Total
Balance as at April 1, 2019	(6,183)	(6,183)
Profit / (loss) for the year	(9,127)	(9,127)
Balance as at March 31, 2020	**(15,310)**	**(15,310)**

Particulars	Reserves and surplus Retained earnings	Total
Balance as at April 1, 2020	(15,310)	(15,310)
Profit / (loss) for the year	(91)	(91)
Balance as at March 31, 2021	**(15,401)**	**(15,401)**

The accompanying notes form an integral part of the financial statements

As per our report of even date
For R.G.Rajan Associates
Chartered Accountants
Firm Registration Number : 003429S

For and on behalf of the Board

R.G.Rajan
Partner
Membership Number 025437

Place : Chennai
Date : 19-May-2021

Sriram Ganeshan
Director

Sunder S
Director

Redserv Business Solutions Private Limited
Statement of Cash Flows

(in ₹ thousands)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities			
Profit for the period		(91)	(9,127)
Adjustments for:			
Depreciation and amortization	4 & 5	2,975	3,737
Finance cost	21	226	585
Interest income	19	(171)	(213)
Gain on lease termination	19	(351)	-
Provision for employee benefits		213	-
Unrealised exchange loss / (gain)		-	(13)
Changes in assets and liabilities		2,801	(5,031)
Trade receivables		(1,397)	-
Other financial assets and other assets		2,879	2,169
Trade payables		(570)	(1,730)
Financial liabilities, other liabilities and provisions		443	(344)
		4,156	(4,936)
Income taxes paid		(119)	-
Net cash generated by operating activities		**4,037**	**(4,936)**
Cash flow from investing activities			
Expenditure on property, plant and equipment (net of sale proceeds)		(935)	-
Investment in equity		-	-
Net cash used in investing activities		**(935)**	**-**
Cash flow from financing activities			
Proceeds from allotment of shares		-	-
Proceeds from long-term borrowings		-	-
Proceeds from short-term borrowings		2,248	8,240
Payment of lease liabilities		(3,551)	(3,751)
Net cash used in financing activities		**(1,303)**	**4,489**
Net increase in cash and cash equivalents		1,799	(447)
Cash and cash equivalents at the beginning of the period		42	489
Cash and cash equivalents at the end of the period	9	**1,841**	**42**

The accompanying notes form an integral part of the financial statements

As per our report of even date
For R.G.Rajan Associates
Chartered Accountants
Firm Registration Number : 003429S

R.G.Rajan
Partner
Membership Number 025437

Place : Chennai
Date : 19-May-2021

For and on behalf of the Board

Sriram Ganeshan
Director

Sunder S
Director

1. COMPANY OVERVIEW

Redserv Business Solutions Private Limited ('the Company') was incorporated on March 27, 2017 as a private limited company under the Companies Act, 2013 ('the Act'). The company is engaged in the business of providing various services in the field of IT and IT enabled services.

The financial statements are approved for issue by the Company's Board of Directors on May 19, 2021.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.01 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the requirements prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.02 Functional currency and presentation currency

The functional currency of the Company is the Indian rupee (INR). These financial statements are presented in Indian rupees (rounded off to thousands).

2.03 Basis of measurement

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial assets and liabilities which are measured at fair values.

2.04 Going concern

The company is a step down subsidiary of Redington (India) Limited. RBI vide its letter dated 09-Apr-2019 has advised Redington (India) Ltd to wind up its step down subsidiary. Based on the representations made, RBI vide its letter dated 18-Feb-20, accorded the approval to Redington (India) Ltd to continue the operations of this company.

Though the networth was eroded as at the end of financial year ended on 31st Mar 21, but based on the business plan of the management, the financial ability of its immediate and ultimate parent, the accounts of the company are prepared on the assumption of going concern.

2.05 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions considered in the reported amount of assets, liabilities (including contingent assets and contingent liabilities) and the reported income and expenses during the year. The management believes that these estimates, judgements and assumptions used in the preparation of financial statements are prudent and reasonable.

Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Estimates, judgements and underlying assumptions are reviewed periodically on an ongoing basis.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

2.06 Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

REDSERV BUSINESS SOLUTIONS PVT. LTD.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

The Code on Social Security,2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However,the date on which the Code will come into effect has not been notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.01 Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

REDSERV BUSINESS SOLUTIONS PVT. LTD.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

For a lease modification that is not accounted for as a separate lease, the company accounts for the remeasurement of the lease liability by:
(a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The company recognises in profit or loss any gain or loss relating to the partial or full termination of the lease.
(b) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" using the modified retrospective method. On transition, the adoption of new standard resulted in recognition of 'Right of Use' asset of ₹ 80.96 lakhs and a lease liability of ₹ 82.52 lakhs.

3.02 Foreign currency

Income and expenditure in foreign currencies are recorded at the exchange rate prevailing at the date of transaction. Exchange gain/loss on settlement of foreign currency transactions are recognised in the statement of profit and loss.

All monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the end of the accounting period at the prevailing exchange rates as on the reporting date and the resulting exchange gain/loss is recognised in the statement of profit and loss.

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, except exchange differences arising from the translation of qualifying cash flow hedges to the extent that the hedges are effective, which are recognised in OCI.

3.03 Income Taxes

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

a) Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years. The amount of tax payable on the taxable income for the year is determined in accordance with the applicable tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

b) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are 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 utilized.

c) Deferred tax is not recognised for temporary difference 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.

d) 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.

e) Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as a deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

REDSERV BUSINESS SOLUTIONS PVT. LTD.

3.04 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The software (including operating systems) which are loaded as part of the property, plant and equipment when they are acquired as part of property, plant and equipment are not separately identified.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation on additions / deletions has been provided on a pro-rata basis. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Items of property, plant and equipment retired from active use and held for disposal is stated at the lower of their carrying amount and net realisable value. Any write-down is recognised in the statement of profit and loss.

The carrying amount of an item of property, plant and equipment is derecognised

(a) on disposal; or
(b) when no future economic benefits are expected from its use or disposal.

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 and is included in the statement of profit and loss when the item is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

3.05 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liability is disclosed for all

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 Company (or)
b) 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 sufficiently reliable estimate of the amount of the obligation cannot be made.

In respect of contingent assets for which inflow of economic benefits are probable, the Company discloses a brief description of the nature of the contingent assets at the end of the year, and, where practicable, an estimate of their financial effect.

3.06 Cash and cash equivalents

Cash comprises of 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 and which are subject to insignificant risks of changes in rate.

REDSERV BUSINESS SOLUTIONS PVT LTD

3.07 Cash flow statement

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

3.08 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

3.09 Fair value measurement

Certain of the Company's accounting policy or disclosures require the measurement of fair value for both financial / non-financial assets and liabilities.

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. When measuring fair value, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such basis, 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 116 "*Leases*", and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 "*Inventories*" or value used in Ind AS 36 "*Impairment of assets*".

The Company has an established framework with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques which are follows

i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

iii) 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).

When measuring the fair value 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 assets or a liability fall into different levels of the fair value hierarchy, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3.10 Financial instruments

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. 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 and loss.

Classification and subsequent measurement

Financial assets

i) On initial recognition, a financial asset is classified as measured at
   - Amortised cost
   - Fair value through other comprehensive income
   - Fair value through profit and loss

REDSERV BUSINESS SOLUTIONS PVT. LTD.

ii) A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair Value Through Profit or Loss (FVTPL)
   - The asset is held within a business model whose objective is to hold assets to collect contractual 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.

iii) A financial asset is subsequently measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

iv) All financial assets not classified as measured at amortised cost or as measured at 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 or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

v) Financial assets at FVTPL – These 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 FVOCI – These assets are subsequently measured at fair value, with fair value changes recognised in other comprehensive income. Income, including any interest or divident , are recognised in statement of profit and 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 losses are recognised in profit and loss.

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

Financial liabilities

i) Financial liabilities are classified as measured at amortised cost or FVTPL.

ii) 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 in initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit and loss.

iii) Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on de-recognition is also recognised in profit and loss.

<u>De-recognition</u>

Financial assets

The Company de-recognises 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 Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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.

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 is the cumulative gain or loss that has to be recognised in the statement of profit and loss.

Financial liabilities

The Company de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The difference between the carrying amount of the financial liability de-recognised and the sum of consideration paid and payable is recognised as gain or loss in the statement of profit and loss.

The Company also de-recognises 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 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 and loss.

<u>Offsetting</u>

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

REDSERV BUSINESS SOLUTIONS PVT. LTD. *

Impairment of financial assets

The Company recognises loss allowance for expected credit loss ('ECL') on financial asset which are not measured at FVTPL. At each reporting date, the Company assess whether such financial assets carried at amortised cost / FVOCI 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.

The Company measures loss allowance at an amount equal to lifetime expected credit losses except for bank balances which are measured as 12 month expected credit losses for which credit risk has not increased significantly since initial recognition.

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the ECL which results from default events that are possible within 12 months after the reporting date.

Measurement of expected credit losses

The Company has adopted a model, as permitted under Ind AS 109 "Financial Instruments", for measuring lifetime expected credit loss "ECL" allowance for trade receivables. The model determines the expected credit losses as the probability-weighted estimate of credit losses.

The impairment losses and reversals are recognised in statement of profit and loss.

Loss allowance for financial assets measured at amortised cost / at FVOCI are deducted from gross carrying amount of the assets. The gross carrying amount of a financial assets is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

3.11 Revenue recognition

The Company 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.

Revenue from sale of services is recognised over period of time and in the accounting period in which the services are rendered.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

3.12 Employee benefits

Short -term employee benefits

Short-term employee benefits are determined as per Company's policy/scheme on an undiscounted basis and are recognized as expense as the related services is provided. Short-term employee benefit liabilities are recognised for the amount expected to be paid, if the Company has a present legal obligation to pay, as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plan

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

Defined benefit plan

The Company's gratuity plan is unfunded, the defined benefit obligation of which is determined annually by a qualified actuary using the projected unit credit method at each balance sheet date. Re-measurement of defined benefit obligation, which comprises of actuarial gains and losses are recognized in other comprehensive income in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

REDSERV BUSINESS SOLUTIONS PVT. LTD.

4. Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2021 are as follows:

(in ₹ thousands)

Particulars	Computers and data processing units	Total
Gross carrying value		
As at April 01, 2020	-	-
Additions	935	**935**
Deletions	-	-
As at March 31, 2021	**935**	**935**
Depreciation		
As at April 01, 2020	-	-
For the period	172	**172**
Deductions / Adjustments during the year	-	-
As at March 31, 2021	**172**	**172**
Carrying value		
As at April 01, 2020	-	-
As at March 31, 2021	**763**	**763**

The aggregate depreciation is included under depreciation and amortization expense in the statement of Profit and Loss.

REDSERV BUSINESS SOLUTIONS PVT. LTD.

5. Right of use assets

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021

(in ₹ thousands)

Particulars	Category of ROU assets Building	Total
Gross carrying value		
As at April 01, 2020	8,096	**8,096**
Additions / Adjustments during the year	-	-
Deductions/ Retirement during the year	8,096	**8,096**
As at March 31, 2021	-	-
Depreciation		
As at April 01, 2020	3,737	**3,737**
For the period	2,802	**2,802**
Deductions / Adjustments during the year	6,539	**6,539**
As at March 31, 2021	-	-
Carrying value		
As at March 31, 2021	-	-

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020

(in ₹ thousands)

Particulars	Category of ROU assets Building	Total
Gross carrying value		
As at April 01, 2019	-	-
Additions / Adjustments during the year	8,096	**8,096**
Deductions/ Retirement during the year	-	-
As at March 31, 2020	**8,096**	**8,096**
Depreciation		
As at April 01, 2019	-	-
For the period	3,737	**3,737**
Deductions / Adjustments during the year	-	-
As at March 31, 2020	**3,737**	**3,737**
Carrying value		
As at March 31, 2020	**4,359**	**4,359**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

REDSERV BUSINESS SOLUTIONS PVT. LTD.

6. Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Rental deposits		
Rental deposits paid	-	4,623
Less : Provision for bad and doubtful debts	-	(1,785)
Total non-current other financial assets	**-**	**2,839**
Current		
Unbilled revenues #	193	-
Rental deposits paid	30	-
Total current other financial assets	**223**	**-**

Classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

7. Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advance		
Capital advance paid	-	160
Less : Provision for bad and doubtful debts	-	(160)
Prepaid rent	-	37
	-	**37**

8. Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Unsecured, Considered good	1,397	-
	1,397	**-**

9. Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
In current accounts	1,835	35
Cash on hand	6	7
	1,841	**42**

10. Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid rent	-	223
Prepaid insurance	120	-
Advances other than capital advances		
Payment to vendors for supply of services	47	-
	167	**223**

REDSERV BUSINESS SOLUTIONS PVT. LTD.

11. Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount	No of shares	Amount
Authorised				
Equity shares, ₹10/- par value	1,00,000	1,000	1,00,000	1,000
Issued, subscribed and fully paid				
Equity shares, ₹10/- par value	1,00,000	1,000	1,00,000	1,000
	1,00,000	**1,000**	**1,00,000**	**1,000**

a. Reconciliation of the shares outstanding at the beginning and at the end of the period

Particulars	As at March 31,	
	2021	2020
	No of shares	No of shares
Equity shares		
At the beginning of the year	1,00,000	1,00,000
Issued during the year	-	-
Outstanding at the end of the year	**1,00,000**	**1,00,000**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	As at March 31,	
	2021	2020
	No of shares	No of shares
Equity shares		
Redington Gulf FZE (Holding company)	99,990	99,990

d. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No of shares	% held	No of shares	% held
Redington Gulf FZE	99,990	99.99%	99,990	99.99%

REDSERV BUSINESS SOLUTIONS PVT. LTD.

12. Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Lease liabilities measured at amortised cost	-	712
Total non-current lease liabilities	**-**	**712**
Current		
Lease liabilities measured at amortised cost	-	4,374
Total current lease liabilities	**-**	**4,374**

13. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Provision for employee benefits		
Provision for gratuity	26	-
Provision for leave salary	148	-
Total non-current provisions	**174**	**-**
Current		
Provision for employee benefits		
Provision for gratuity	0	-
Provision for leave salary	39	-
Total current provisions	**39**	**-**

14. Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured loans from related parties repayable on demand	10,487	8,240
	10,487	**8,240**

15. Trade payables

The Company has circulated letters to suppliers and based on confirmations 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. There are no overdue outstanding amounts (including interest) payable to these enterprises.

Particulars	As at March 31, 2021	As at March 31, 2020
Amount due to vendor		
- Principal	64	-
- Interest	-	-
Interest paid in terms of section 16	-	-
Amount paid beyond the appointed day	-	-
Amount of interest due and payable for the delay	-	-
Amount of interest accrued and remaining unpaid	-	-

REDSERV BUSINESS SOLUTIONS PVT. LTD.

16. Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Others		
Salary payable	57	-
PF and ESI payable	72	-
Accrued expenses	5	-
	133	**-**

17. Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Other advances		
Advances received from customers	7,325	7,317
Others		
Withholding taxes and others	29	54
GST payable	181	-
	7,535	**7,371**

18. Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of services		
Back office support services	7,846	-
Payroll and related processing services	784	-
	8,630	**-**

19. Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on rental deposits	171	213
Gain on Lease Termination	351	-
Exchange rate fluctuations	-	13
	522	**226**

20. Employee benefits expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries & wages	3,016	-
Contribution to provident and other funds	248	-
Gratuity	26	-
Leave salary	188	-
Insurance - employees	142	-
Telephone reimbursements	142	-
	3,760	**-**

REDSERV BUSINESS SOLUTIONS PVT. LTD.

21. Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on lease payments	226	585
	226	**585**

22. Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Bad debts	-	1,945
Bank Charges	38	42
Office Maintenance	344	653
Payments to auditor (Refer details below)	222	194
Power & water	150	595
Printing and Stationery	20	-
Professional Charges	306	35
Rates & Taxes	3	-
Rent - Building	742	976
Rent - Maintenance	33	44
Repairs & maintenance - others	8	-
Security charges	414	549
	2,282	**5,031**

Particulars	2021	2020
Payments to auditor		
As auditor:		
Statutory audit fee	222	165
In other capacity:		
Other services (certification fees)	-	-
Tax on the above	-	30
	222	**194**

23. Earnings per equity share

Particulars	2020-21	2019-20
Profit after tax in ₹	(90,720)	(91,27,099)
Weighted average number of equity shares (Basic)	1,00,000	1,00,000
Earnings per share- Basic ₹	(0.91)	(91.27)
Weighted average number of equity shares (Diluted)	1,00,000	1,00,000
Earnings per share-diluted ₹	(0.91)	(91.27)
Face Value per share in ₹	10	10

REDSERV BUSINESS SOLUTIONS PVT. LTD.

24. Gratuity plan

The following table sets out the status of the Gratuity Plan

Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets :

	As at March 31,	
	2021	2020
Obligations at year beginning	-	-
Interest cost	-	-
Current service cost	26	-
Benefits paid directly by the company	-	-
Benefits paid directly from the assets	-	-
Past Service Cost	-	-
Settlement Cost	-	-
Curtailment Cost	-	-
Actuarial (gain) / loss (Financial Assumptions)	-	-
Actuarial (gain) / loss (Demographic Assumptions)	-	-
Actuarial (gain) / loss (Experience)	-	-
Obligations at year end	26	-
Changes in plan assets	Not applicable	Not applicable
Funding mechanism	Unfunded	Unfunded
Reconciliation of present value of the obligation and the fair value of the plan assets:		
Present value of obligation on the accounting date	(26)	-
Fair Value of Plan Assets on the accounting date	-	-
Unrecognized Actuarial (gain) / loss	-	-
Net Asset / (liability) recognised in Balance Sheet	**(26)**	-
Principal Actuarial Assumptions		
Interest (Discount) Rate (Liabilities)	5.47%	-
Interest Rate (Rate of Return on Assets)	0.00%	-
Salary escalation Rate (per annum)	10.00%	-
Resignations Rate (per annum)	25.00%	-
Mortality	IALM (2012-14)	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Historical information

	As at March 31,				
	2021	2020	2019	2018	2017
Present value of obligation	26	-	-	-	-
Fair value of plan asets	-	-	-	-	-
Asset/ (liability) recognised	**(26)**	-	-	-	-
Experience adjustments:					
Gain / (Loss)					
On plan liabilities	-	-	-	-	-
On plan assets	-	-	-	-	-

REDSERV BUSINESS SOLUTIONS PVT. LTD.

The amounts recognised in the staement of profit and loss under employee benefit expense are as follows

Particulars	Year ended March 31,	
	2021	2020
Interest Cost	-	-
Current Service Cost	26	-
Past Service Cost	-	-
Curtailment Cost (Credit)	-	-
Settlement Cost (Credit)	-	-
Net gratuity cost	**26**	**-**

The amounts recognised in the staement of other comprehensive income are as follows

Particulars	Year ended March 31,	
	2021	2020
Gain/(loss) (Experience): -- Obligation:	-	-
Gain/(loss) (Change in parameters): -- Obligation:	-	-
(Gain)/loss (Demographic) Obligation:	-	-
Less Excess Return on Plan Assets over expected returns:	-	-
Actuarial gain/loss recognized in OCI:	-	-
Adjustment for Limit on net assets	-	-

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected (increase / (decrease)) the defined benefit obligation shown below:

Particulars	Year ended March 31,	
	2021	2020
Discount rate		
Increase of 0.50%	-2.02%	-
Decrease of 0.50%	2.10%	-
Salary escalation rate		
Increase of 0.50%	2.10%	-
Decrease of 0.50%	-2.02%	-
Staff exit rate		
Increase of 0.50%	-0.37%	-
Decrease of 0.50%	0.39%	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Maturity profile of defined benefit obligation

Particulars	As at March 31,	
	2021	2020
Within 1 year	162	-
1-2 year	121	-
2-3 year	91	-
3-4 year	51	-
4-5 year	38	-
5-10 year	87	-

REDSERV BUSINESS SOLUTIONS PVT. LTD.

25. Segment reporting

"Operating Segments" reported are in a manner consistent with internal reporting made to the undersigned Director, Mr. Sriram Ganeshan, who is the Chief Operating Decision Maker for the company.

The reported operating segments

- Engage in business activities from which the Company earns revenues and incur expenses
- Have their operating results regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- Have discrete financial information available

The Company is primarily engaged in only one business namely provision of support 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 provision of support services. The Company's operations are entirely domiciled in India and as such all its assets are located in India.

26. Contingent liabilities & commitments

Particulars	As at March 31,	
	2021	2020
Contingent liabilities		
Claims against the company not acknowledged as debt	-	-
Guarantees	-	-
Other money for which the company is contingently liable	-	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Uncalled liability on shares and other investments partly paid	-	-

27. Leases

The following is the movement in lease liabilities:

Particulars	As at March 31,	
	2021	2020
Balance at the beginning	5,086	-
Additions	-	8,252
Finance cost accrued during the period	226	585
Deletions	1,761	-
Payment of lease liabilities	3,551	3,751
Translation differences	-	-
Balance at the end	-	**5,086**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31,	
	2021	2020
Within one year of the balance sheet date	-	4,374
Due in a period between one year and five years	-	712
Due after five years	-	-

REDSERV BUSINESS SOLUTIONS PVT. LTD.

28. Financial instruments

a) Financial assets and liabilities

The following table shows the carrying amounts of financial assets and financial liabilities:

Particulars	Note reference	Carrying amount as at March 31, 2021			
		FVTPL	FVOCI	Amortised cost	**Total**
Financial assets					
Other financial assets	6	-	-	223	223
Trade receivables	8	-	-	1,397	1,397
Cash and cash equivalents	9	-	-	1,841	1,841
Total		-	-	**3,461**	**3,461**
Financial liabilities					
Borrowings	14	-	-	10,487	10,487
Trade payables	15	-	-	543	543
Other financial liabilities	16	-	-	133	133
Total		-	-	**11,163**	**11,163**

Particulars	Note reference	Carrying amount as at March 31, 2020			
		FVTPL	FVOCI	Amortised cost	**Total**
Financial assets					
Other financial assets	6	-	-	2,839	2,839
cash and cash equivalents	9	-	-	42	42
Total		-	-	**2,881**	**2,881**
Financial liabilities					
Borrowings	14			8,240	8,240
Lease liabilities	12	-	-	5,086	5,086
Trade payables	15	-	-	1,113	1,113
Total		-	-	**14,439**	**14,439**

b) Fair value hierarchy

The carrying amount of financial assets and financial liabilities is a reasonable approximation of their respective fair value. Hence, the information regarding fair value hierarchy is not separately disclosed.

c) Financial risk management

Financial risk factors

The Company's activities primarily expose it to credit risk, market risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is detailed in the table here below.

REDSERV BUSINESS SOLUTIONS PVT. LTD.

Particulars	As at March 31,	
	2021	2020
Rental deposits	30	30
Lease deposits	-	2,809
Unbilled revenue	193	-
Trade receivables	1,397	-

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents. The Company has a high level of liquidity risk as the working capital is not sufficient to meet the current requirements of the company.

As at March 31, 2021 the company had a working capital of Rs.(151.08) lakhs including cash and cash equivalents of Rs. 18.41 lakhs. As at March 31, 2020 the company had a working capital of Rs.(208.33) lakhs including cash and cash equivalents of Rs. 0.42 lakhs.

As at March 31, 2021, the outstanding gratuity and compensated absences were Rs.0.26 lakhs and Rs.1.88 lakhs (for March 31, 2020, NIL for both), respectively, which are unfunded. Accordingly, to that extent, liquidity risk is perceived.

Market risk

The company has received advances from its parent for provision of services. In the event, such advances are returnable, it exposes the company to foreign currency risk.

As at March 31, 2021 and March 31, 2020, the amounts of outstanding advance were Rs.73.25 lakhs and Rs.73.18 lakhs respectively

The company's borrowing from its parent is repayable in INR, hence there is no market risk. (Refer note no 29).

REDSERV BUSINESS SOLUTIONS PVT. LTD.

29. Related party disclosures

(i) Names of related parties and related party relationship

Related parties where control exists

Description of Relationship	Name of the Party
1. Holding company	Redington Gulf FZE, Dubai
2. Ultimate holding company	Redington (India) Limited
3. Fellow subsidiary	Cadensworth FZE, Dubai ProConnect Supply Chain Solutions Limited
4. Key management personnel	Raj Shankar Sunder S Sriram Ganeshan V Srinivasababu

(ii) Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties and the respective closing balances for the financial year:

Particulars	Year ended March 31, 2021	2020
Financing transactions:		
Advance received for services to be provided		
Redington Gulf FZE, Dubai	7	-
Expenses / advances paid by the related party on behalf of the company		
Redington Gulf FZE, Dubai	2,248	7,917
Revenue transactions		
Sale of services		
ProConnect Supply Chain Solutions Limited	7,846	-
Closing balances		
Trade receivables		
ProConnect Supply Chain Solutions Limited	892	-
Borrowings		
Redington Gulf FZE, Dubai	10,487	8,240
Other current liabilities		
Redington Gulf FZE, Dubai	7,325	7,318

30. a) RBI order the winding up of the company vide its order's dated 9 Apr 19. However based on the representation made, RBI vide its letter dated 18 Feb 20, had accorded permission to the company to resume its operations. During FY 19-20, pending the outcome of its representation to RBI to allow the operations of the company, the immediate parent, had met the obligations of the company by direct payments to vendors as the fund transfer from immediate parent to the company for meeting its obligations would be treated as commencement or carrying out of business operations which would be deemed as non-compliance with RBI's order. Even after the RBIs permission, the business of the company could not be started immediately. Hence, during FY 20-21 also, to some extent, the immediate parent had made direct payments to vendors. This action of the immediate parent requires RBI's approval.

REDSERV BUSINESS SOLUTIONS PVT. LTD.

b) Further, the company had received advance payments from its parent company which is outstanding for more than one year, the total of which as of 31-Mar-2021 is Rs.73,17,682 *(for 31-Mar-2020 - Rs.73,17,682)*, towards export of services and the obligation is yet to be fulfilled. The company is yet to obtain requisite approval from RBI for the delay in either making the export of services or refunding the advances received.

31. Deferred tax

The net deferred tax asset, as given in the following table, has not been recognised because it is not probable that future taxable profit will be available.

Particulars	As at 31-Mar-21	As at 31-Mar-20
Property, plant and equipment	(52)	-
Tax losses	3,823	1,542
Provision for employee benefits	56	-
Others	8	17
Total	**3,835**	**1,559**

For R.G.Rajan Associates
Chartered Accountants
Firm Registration Number : 003429S

R.G.Rajan
Partner
Membership Number 025437

Place : Chennai
Date : 19-May-2021

R.G. RAJAN ASSOCIATES 10 (OLD: 17) RADHA KRISHNAN ST., T.NAGAR, CHENNAI-17. FR No. 003429S CHARTERED ACCOUNTANTS

For and on behalf of the Board

Sriram Ganeshan
Director

Sunder S
Director

REDSERV BUSINESS SOLUTIONS PVT. LTD.

B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st & 2nd Floors,
No.1, Harrington Road, Chetpet,
Chennai – 600 031, India

Telephone: + 91 44 4608 3100
Fax: + 91 44 4608 3199

INDEPENDENT AUDITORS' REPORT

To the Members of ProConnect Supply Chain Solutions Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ProConnect Supply Chain Solutions Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Director's report, but does not include the financial statements and our auditors' report thereon. The Company's Director's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Company's Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

PK

- Conclude on the appropriateness of the Management and Board of 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 those charged with governance 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

1. (A) As required by Section 143(3) of the Act, we report 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.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 1 April 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

PK

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Praveen Kumar Jain
Partner
Membership No. 079893
ICAI UDIN: 21079893AAAAFC6934

Place: Chennai
Date: 25 May 2021

Annexure A to the Independent Auditors' Report on the standalone financial statements of ProConnect Supply Chain Solutions Limited for the year ended

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. However, during the current year, the Company has physically verified assets amounting to Rs. 0.16 crores (written down value as at 31 March 2021) only and accordingly, all the assets have not been covered over the rolling period of 3 years ended 31 March 2021. According to the information and explanation given to us, no material discrepancies were noticed on the physical verification done during the year.

(c) The Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the order is not applicable.

(ii) The Company does not hold any physical inventories of spares as at March 31, 2021. Thus, paragraph 3(ii) of the order is not applicable to the Company.

(iii) In our opinion and according to the information and explanations given to us, the Company has granted unsecured loans to one company covered in the register maintained under Section 189 of the Companies Act, 2013. The Company has not granted any other secured or unsecured loan to any firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the company listed in the register maintained under Section 189 of the Companies Act, 2013 were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loan granted to the company listed in the register maintained under Section 189 of the Companies Act, 2013 the borrowers have been, where stipulated, regular in the payment of principal and interest.

(c) There are no overdue amounts in respect of the loans granted to the Company listed in the register maintained under Section 189 of the Companies Act, 2013.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 with respect to the loans, investments, guarantees and security, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted deposits as mentioned in the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.

PK

Annexure A to the Independent Auditors' Report on the standalone financial statements of ProConnect Supply Chain Solutions Limited

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for sale of goods and the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities except in the case of remittances of employees' state insurance and tax deducted at source, where the Company had delays ranging of 1 to 22 days. As explained to us, the Company did not have any dues on account of sales tax, duty of excise, service tax, value added tax and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs and any other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company has not taken any loans or borrowings from government and have not issued any debentures.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration for the year ended 31 March 2021 has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013 and the rules framed thereunder.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

PK

B S R & Co. LLP

Annexure A to the Independent Auditors' Report on the standalone financial statements of ProConnect Supply Chain Solutions Limited

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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

Praveen Kumar Jain
Partner
Membership No. 079893
ICAI UDIN: 21079893AAAAAP6934

Place: Chennai
Date: 25 May 2021

Annexure B to the Independent Auditors' report on the standalone financial statements of ProConnect Supply Chain Solutions Limited for the year ended 31 March 2021.

To the Members of ProConnect Supply Chain Solutions Limited

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report)

Opinion

We have audited the internal financial controls with reference to financial statements of ProConnect Supply Chain Solutions Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone financial statements, whether due to fraud or error.

PK

B S R & Co. LLP

Annexure B to the Independent Auditors' report on the financial statements of ProConnect Supply Chain Solutions Limited for the year ended 31 March 2021.

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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Praveen Kumar Jain
Partner
Membership No. 079893
ICAI UDIN: 21079893AAAAAG934

Place: Chennai
Date: 25 May 2021

ProConnect Supply Chain Solutions Limited
Standalone Balance Sheet as at 31 March 2021
(All amounts are in Indian Rupees in crores, except share data and as stated)

	Note	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	15	8.93	10.30
Capital work in progress		0.29	0.05
Right-of-use assets	17	21.61	27.94
Goodwill	16	15.74	15.74
Other intangible assets	16	14.45	17.13
Financial assets			
Investments	18	21.16	21.16
Deposits and other receivables	23	12.73	9.51
Loans	24	21.40	-
Other financial assets	25	3.83	3.76
Deferred tax assets (net)	14	6.31	1.85
Income tax assets		13.00	13.77
Other non-current assets	26	4.86	4.67
Total non-current assets		**144.31**	**125.88**
Current assets			
Inventories	19	-	-
Financial assets			
Trade receivables	20	89.48	81.51
Cash and cash equivalents	21	10.80	2.24
Other bank balances	22	8.87	22.57
Loans	24	8.50	13.10
Deposits and other receivables	23	6.72	4.50
Other financial assets	25	12.75	11.53
Other current assets	26	17.90	10.74
Total current assets		**155.02**	**146.19**
Total assets		**299.33**	**272.07**
Equity and liabilities			
Equity			
Equity share capital	27A	9.08	9.08
Other equity	27B		
Capital reserve		5.41	5.01
Securities premium		35.47	35.47
Retained earnings		68.32	50.81
Others (including items of other comprehensive income)		(1.51)	(1.11)
Total equity		**116.77**	**99.26**

ProConnect Supply Chain Solutions Limited
Chennai

ProConnect Supply Chain Solutions Limited
Standalone Balance Sheet as at 31 March 2021

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

	Note	As at 31 March 2021	As at 31 March 2020
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	29	4.56	-
Lease liability	17	14.29	21.48
Other financial liabilities	31	6.53	0.32
Provisions	33	6.41	5.61
Total non-current liabilities		**31.79**	**27.41**
Current liabilities			
Financial liabilities			
Borrowings	29	52.44	92.31
Lease liability	17	13.40	13.03
Trade payables	30		
Total outstanding dues to micro enterprises and small enterprises		0.30	0.07
Total outstanding dues to creditors other than micro enterprises and small enterprises		55.13	32.47
Other financial liabilities	31	21.59	1.52
Provisions	33	0.70	0.69
Other current liabilities	32	7.21	5.31
Total current liabilities		**150.77**	**145.40**
Total liabilities		**182.56**	**172.81**
Total equity and liabilities		**299.33**	**272.07**

Significant accounting policies 3

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

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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date: 25 May 2021

for and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

N R Venkatesan
Chief Financial Officer
Place: Chennai
Date: 20 May 2021

ProConnect Supply Chain Solutions Limited

Standalone Statement of Profit and Loss for the year ended 31 March 2021

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

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Revenue			
Revenue from operations	6	385.79	349.33
Other income	7	9.67	10.94
Total revenue		**395.46**	**360.27**
Expenses			
Purchase of spares	8	0.06	0.06
Changes in inventories of spares	9	-	-
Employee benefits expense	10	36.04	35.95
Finance costs	11	10.52	11.75
Depreciation and amortisation expense	12	21.89	35.78
Other expenses	13	308.58	278.53
Total expenses		**377.09**	**362.07**
Profit / (Loss) before tax and exceptional items		**18.37**	**(1.80)**
Exceptional items:			
Impairment of investment	18	-	11.81
Impairment of goodwill	16	-	3.60
Profit / (Loss) before tax		**18.37**	**(17.21)**
Income tax	14		
Current tax		5.69	3.35
Deferred tax		(4.45)	(1.70)
Income tax expense		**1.24**	**1.65**
Profit / (Loss) for the year		**17.13**	**(18.86)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability	33	(0.03)	(0.40)
Income tax relating to items that will not be reclassified to profit or loss	14	0.01	0.10
Net other comprehensive income not to be reclassified subsequently to profit or loss		**(0.02)**	**(0.30)**
Other comprehensive income for the year, net of income tax		**(0.02)**	**(0.30)**
Total comprehensive income for the year		**17.11**	**(19.16)**
Earnings per share	28		
Basic and diluted earnings per share (in Indian Rupees) before exceptional items		18.86	(4.13)
Basic and diluted earnings per share (in Indian Rupees) after exceptional items		18.86	(21.10)
Significant accounting policies	3		

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

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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date: 25 May 2021

for and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

N R Venkatesan
Chief Financial Officer
Place: Chennai
Date: 20 May 2021

ProConnect Supply Chain Solutions Limited

Standalone Statement of Cash Flow for the year ended 31 March 2021

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

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities			
Profit / (Loss) before taxes		18.37	(17.21)
Adjustments for:			
Depreciation and amortisation		21.89	35.78
Provision for doubtful debts		-	2.44
Provision no longer required written back		(0.51)	-
Provision for financial asset		3.41	11.89
Provision for security deposits		0.30	-
Bad debts written off		1.27	-
Impairment of investment		-	11.81
Impairment of goodwill		-	3.60
(Gain) on sale of property, plant and equipment		(0.33)	(0.13)
Derecognition of financial asset		0.38	-
Finance costs		10.52	11.75
Stock compensation expense		0.40	1.70
Gain on derecognition of forward liability		-	(3.84)
Interest income on income tax refund		(0.70)	-
Interest income on security deposits at amortised cost		(1.19)	(2.23)
Interest income on cash and cash equivalents and loans		(3.77)	(2.61)
		50.04	**52.95**
Working capital adjustments:			
(Increase) / decrease in trade receivables		(8.73)	8.84
(Increase) / decrease in deposits and other receivables		(4.55)	8.29
Decrease / (increase) in other current / non-current financial assets		0.05	(6.84)
(Increase) / decrease in other current / non current assets		(7.49)	8.23
Increase / (decrease) in trade payable and other financial liabilities		43.07	(4.92)
Increase / (decrease) in provisions and other current liabilities		2.38	(2.00)
Cash generated from operating activities		**74.77**	**64.55**
Income tax paid (net)		(4.81)	(14.19)
Net cash generated from operating activities (A)		**69.96**	**50.36**
Cash flow from investing activities			
Interest received		2.23	1.49
Proceeds from sale of property, plant and equipment		0.40	0.47
Acquisition of property, plant and equipment		(4.18)	(4.00)
Loans given to subsidiary, (net)		(18.80)	(1.34)
Investments in bank deposits with original maturity of more than 3 months		13.70	(18.32)
Payment of liability in accordance with share purchase agreement		-	(2.50)
Contingent consideration paid		-	(7.50)
Investment in subsidiaries		-	(11.00)
Net cash used in investing activities (B)		**(6.65)**	**(42.70)**

ProConnect Supply Chain Solutions Limited
Chennai
*

ProConnect Supply Chain Solutions Limited

Standalone Statement of Cash Flow for the year ended 31 March 2021

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

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from financing activities			
Proceeds from long-term borrowings		-	15.52
Repayment of long term borrowings		(7.02)	(1.51)
Proceeds of borrowings from related parties		42.00	-
Repayment of borrowings from related parties		(22.00)	-
Net proceeds from short term borrowings		(17.50)	13.00
Payment of finance lease obligations		(18.97)	(33.58)
Interest paid		(6.54)	(7.30)
Net cash used in financing activities (C)		**(30.03)**	**(13.87)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**33.28**	**(6.21)**
Cash and cash equivalents as at 1 April		(28.56)	(22.35)
Cash and cash equivalents as at 31 March	21	**4.72**	**(28.56)**

Significant accounting policies 3

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

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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date: 25 May 2021

for and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

N R Venkatesan
Chief Financial Officer
Place: Chennai
Date: 20 May 2021

ProConnect Supply Chain Solutions Limited
Standalone Statement of changes in equity for the year ended 31 March 2021
(All amounts are in Indian Rupees in crores, 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 2019	9.08	90,81,465
Shares issued during the year	-	-
Balance as at 31 March 2020	**9.08**	**90,81,465**
Shares issued during the year	-	-
Balance as at 31 March 2021	**9.08**	**90,81,465**

(b) Other equity

	Reserves and surplus			Others		Total equity
	Securities premium	Retained earnings	Capital reserve	Other equity	Other items of other comprehensive income	
Balance as at 1 April 2019	35.47	79.20	3.31	(5.98)	(1.19)	110.81
Loss for the year	-	(18.86)	-	-	-	(18.86)
Other comprehensive income for the year	-	-	-	-	(0.30)	(0.30)
Impact on account of change in accounting policy, net of tax (Ind AS 116)	-	(3.17)	-	-	-	(3.17)
Total comprehensive income	-	(22.03)	-	-	(0.30)	(22.33)
Stock compensation cost	-	-	1.70	-	-	1.70
Securities premium on shares issued during the year	-	-	-	-	-	-
Dividend, including distribution dividend tax	-	-	-	-	-	-
Total contributions and distributions from / (to) owners	-	-	1.70	-	-	1.70
Total transactions with owners	-	-	1.70	-	-	1.70
Changes in ownership interests in subsidiaries that do not result in loss of control						
Acquisition of non-controlling interests	-	(6.36)	-	6.36	-	-
Balance as at 31 March 2020	35.47	50.81	5.01	0.38	(1.49)	90.18
Balance as at 1 April 2020	35.47	50.81	5.01	0.38	(1.49)	90.18
Profit for the year	-	17.13	-	-	-	17.13
Other comprehensive income for the year	-	-	-	-	(0.02)	(0.02)
Transferred to retained earnings	-	0.38	-	(0.38)	-	-
Total comprehensive income	-	17.51	-	(0.38)	(0.02)	17.11
Contributions and distributions from owners						
Stock compensation cost	-	-	0.40	-	-	0.40
Total contributions and distributions from owners	-	-	0.40	-	-	0.40
Balance as at 31 March 2021	35.47	68.32	5.41	-	(1.51)	107.69

Significant accounting policies 3

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

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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date: 25 May 2021

for and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

N R Venkatesan
Chief Financial Officer
Place: Chennai
Date: 20 May 2021

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

1 Background

ProConnect Supply Chain Solutions Limited ('ProConnect' / 'the Company') incorporated on 31 August 2012, is a wholly owned subsidiary of Redington (India) Limited ('Redington'). The Company 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

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

These standalone financial statements were authorised for issue by the Company's Board of Directors on 20 May 2021.
Details of the Company's accounting policies are included in Note 3.

2.2 Functional and presentation currency

These standalone 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 crores, unless otherwise stated.

2.3 Basis of measurement

The standalone 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
- Defined benefit liability	Present value of defined benefit obligations

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 market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle.

2.4 Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, 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.

Impact of COVID-19 pandemic

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company 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.

The Company has considered internal and external information while finalizing various estimates in relation to its financial statements captions upto the dates of its approval of financial statements by the Board of Directors. The actual impact of global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 6 – revenue : whether the Company acts as an agent rather than as a principal in a transaction; and
- Note 17 – lease accounting under Ind AS 116

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 2021 is included in the following notes:

- Note 33 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 34 – impairment of financial assets.

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 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).

ProConnect Supply Chain Solutions Limited Chennai

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

2.5 Measurement of fair values (continued)

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 34 – financial instruments
- Note 38 – stock appreciation rights

2.6 Changes in accounting policies

Except for the changes below, the Company has consistently applied the accounting policies to all the periods present in these financial statements.

The Company applied Ind AS 116 with effect from 1 April 2019. A number of other new standards are also effective from 1 April 2019 but they do not have a material effect on the Company's financial statements. As a result the Company has changed its accounting policy for lease contracts as detailed below.

The Company applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at 1 April 2019. Accordingly, the comparative information presented for the year ended 31 March 2019 is not restated – i.e. it is presented, as previously reported, under Ind AS 17. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

A. Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under Ind AS 17 Leases. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 2.6 (A).

On transition to Ind AS 116, the Company elected to apply the practical expedient to consider the assessment of which transactions are leases. The Company applied Ind AS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease under Ind AS 116. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

B. As a lessee

As a lessee, the Company leases many assets that are in the nature of warehouse buildings. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset of the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

The Company decided to apply recognition exemptions to short-term leases and leases of assets of low value. For leases of other assets, which were classified as operating under Ind AS 17, the Company recognised right-of-use assets and lease liabilities.

i) *Leases classified as Operating lease under Ind AS 17*

Previously, the Company classified property leases as operating leases under Ind AS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019 (see Note 2.6 (C)). Right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the Company's incremental borrowing rate at the date of initial application

The Company has evaluated its right-to-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;

-excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application;

ii) *Leases classified as finance leases under Ind AS 17*

For the leases classified as finance leases under Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at April 1, 2019 were determined at the carrying amount of the lease asset and lease liability under Ind AS 17 immediately before that date.

C. Impact on financial statements *

On transition to Ind AS 116, the Company recognised right-of-use assets and lease liabilities, recognizing the difference in retained earnings. The impact on transition is summarized below.

	1 April 2019
Right-of-use assets	73.94
Deferred tax asset	1.05
Lease liabilities	78.16
Retained earnings	(3.17)

* For the impact of Ind AS 116, on profit or loss for the year, refer note 17. For the details of accounting policies under Ind AS 116, and Ind AS 17, refer note 3.10. When measuring lease liability the Company discounted lease payments at the incremental borrowing rate in the range of 7.50% p.a to 8.20% p.a depending on the period

Proconnect Supply Chain Solutions Limited Chennai

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 would be classified and measured at amortised cost or at Fair Value through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principle and the interest on the principle amount outstanding (SPPI criterion).

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 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.

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.

ProConnect Supply Chain Solutions Limited Chennai

3 Significant accounting policies (continued)

3.2 Financial instruments (continued)

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 Company 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 expired.

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.

v. 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 recognised at fair value on the date the contract is entered into and are subsequently remeasured at fair value.

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. Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Plant and Machinery	5 years	15 years
Computer and accessories	3 years	3 years
Furniture and fixtures	4 years	10 years
Office equipment's	5 years	5 years
Vehicles	5 years	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Property, plant and equipment is depreciated 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 and is recognised in statement of profit and loss.

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

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

ProConnect Supply Chain Solutions Limited Chennai

3 Significant accounting policies (continued)

3.4 Intangible assets

i. Recognition and measurement

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 the Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Useful life
Software	3 - 5 years
Customer relationships	8 years

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

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (CGU) or groups of cash-generating units that are expected to benefit from the synergies of the combination. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the CGU.

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost 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.

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;
- 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:

- 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.

ProConnect Supply Chain Solutions Limited
Chennai

3 Significant accounting policies (continued)

3.6 Impairment (continued)

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.

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 assumes that the credit risk on financial assets has increased significantly if it is more than 180 days past due.

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)
- the financial asset is 365 days or more past due.

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. Goodwill is tested for impairment annually. 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.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication 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. Such a reversal is made 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 amortisation, if no impairment loss had been recognised.

ProConnect Supply Chain Solutions Limited
Chennai

3 Significant accounting policies (continued)

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.

ii. Share based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

iii. 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.

iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's 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.

The Company's gratuity plan is unfunded. Defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method at each balance sheet date. The defined benefit obligation is determined as the present value of the estimated future cash flows expected to be made by the Company in respect of services rendered by its employees upto the reporting date.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Company determines the interest expense on the defined benefit liability 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 defined benefit liability. 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.

v. Other long-term employee benefits

The Company's 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. 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.

ProConnect Supply Chain Solutions Limited * Chennai

3.9 Revenue recognition

The Company earns revenue primarily from the business of comprehensive Supply Chain Management ('SCM'), providing total logistic solutions services including warehousing management and allied services for various corporate customers. Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method, wherein the comparatives have not been retrospectively adjusted.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

- Revenue from warehousing management services where the Company leases out warehouse space along with warehousing equipment's is measured based on the mutually agreed monthly rent with customers. Revenue for warehousing management services are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

- Revenue from third party logistics services is recognised based on the consignment notes issued by the Company. Revenue is measured based on the mutually agreed rate as per the contract with the customer.
- Revenue from allied services is recognised on output basis, measured by number of orders processed.
- Revenue from sales of goods and scrap sales is recognised at the point in time when control is transferred to the customer.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by the nature of services offered to the customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors. Refer Note 5.

ProConnect Supply Chain Solutions Limited
Chennai

3 Significant accounting policies (continued)

3.10 Leases

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

i. Policy applicable from 1 April 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

A. Company as a lessee:

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

The lease payments shall include:

-fixed payments, including in substance fixed payments;

-variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date

-amounts expected to be payable under a residual value guarantee; and

- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in –substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

Short term leases and low value assets:

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term

ProConnect Supply Chain Solutions Limited
Chennai

3 Significant accounting policies (continued)

3.10 Leases (Continued)

B. Company as a lessor:

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company applies derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other income'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

ii. Policy applicable before 1 April 2019

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.

Operating 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. Payments under operating leases are recognized in the Statement of Profit and 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 inflationary cost increase.

Finance 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 recognized in the Company's Standalone Balance Sheet. 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.

ProConnect Supply Chain Solutions Limited
Chennai

3 Significant accounting policies (continued)

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.

3.12 Income tax

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

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 income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax will not be recognised, when:

- 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 in the foreseeable future
- 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 simultaneously.

ProConnect Supply Chain Solutions Limited ★ Chennai

3 Significant accounting policies (continued)

3.13 Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.14 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.

3.15 Cash flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

3.16 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.

3.17 Investment in subsidiaries

Investments in subsidiaries are accounted at cost less impairment.

3.18 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating revenue on a systematic basis.

Grants that compensate the Company for expenses incurred are recognised in statement of profit or loss as other income on a systematic basis in the periods in which such expenses are recognised.

3.19 Dividend to share holders

Final dividend is distributed to Equity share holders is recognised in the period in which it is approved by the members of the Company in the Annual General Meeting. Final dividend net of divided distribution tax are recognised in the Statement of Changes in Equity.

4 Recent Indian Accounting Standards (Ind AS)

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

i Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or noncurrent.

ii Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

iii Specified format for disclosure of shareholding of promoters.

iv Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

v If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

vi Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

i Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

ProConnect Supply Chain Solutions Limited
Chennai

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

5 Operating segments

The Company is engaged in only one business namely providing 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 assesses its performance. Accordingly, the Company does not have multiple segments and the standalone financial statements are reflective of the information required by the Ind AS 108 for SCM segment.

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, segment revenue has been determined based on the geographic location of the customers.

	Year ended 31 March 2021	Year ended 31 March 2020
India	369.55	333.11
USA	16.24	16.22
	385.79	**349.33**

The Company's operations are entirely carried out from 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 2021	Year ended 31 March 2020
Customer A	68.75	48.94
Customer B	45.91	32.53
Customer C	71.73	56.54
Customer D	48.94	29.31
	235.33	**167.32**

6 Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	0.14	0.21
Sale of services		
Income from supply chain management services ^^	385.56	349.06
Other operating revenue		
Scrap Sales	0.09	0.06
	385.79	**349.33**

^^ Includes revenue INR 0.74 crores (31 March 2020: INR 1.44 crores) from renting of warehouse, net of related cost in respect of which the Company acts as an agent in the transaction rather than as the principal.

Impact of COVID-19 (Pandemic) on Revenue recognition:

While the Company believes strongly that it has a rich portfolio of services to partner with customers, the impact on future revenue streams could come from

— the inability of our customers to continue their businesses due to financial resource constraints or their services no longer being availed by their customers

— prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility

— customer due to cost pressure reduces the discretionary spending consequently impacting the margins on certain line of business

The Company has assessed the contracts with customers, the impact that they would have due to disruption of supply chain and drop in demand due to impact of the COVID-19 pandemic in customer business. The Company has also assessed the dependence of revenues from the impacted business verticals. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company has taken steps to ensure that revenue recognition reflect realizable values.

ProConnect Supply Chain Solutions Limited Chennai

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

7 Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on		
Cash and cash equivalents and other bank balances	0.70	0.35
Loan to corporates	3.07	2.26
Security deposits at amortised cost	1.19	2.23
Gain on derecognition of forward liability (refer note 31)	-	3.84
Net gain on sale of property, plant and equipment	0.33	0.13
Net gain on foreign currency transactions	0.58	0.11
Interest income on income tax refund	0.70	-
Insurance claim	0.62	-
Export incentives	-	1.08
Rent concessions	0.96	-
Provision no longer required written back	0.51	-
Finance income on lease	0.79	0.65
Miscellaneous income	0.22	0.29
	9.67	**10.94**

8 Purchase of spares

	Year ended 31 March 2021	Year ended 31 March 2020
Purchases of spares	0.06	0.06
	0.06	**0.06**

9 Changes in inventories of spares

	Year ended 31 March 2021			Year ended 31 March 2020		
	Opening stock	Closing stock	Increase / Decrease	Opening stock	Closing stock	Increase / Decrease
Stock-in-trade of spares*	-	-	-	-	-	-
	-	-	-	-	-	-

* Decrease in inventory of spares of INR 23,170 /- for year ended 31 March 2021 (31 March 2020: Nil) has been rounded off in crores to Nil.

10 Employee benefits expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	27.87	27.75
Contribution to provident funds	1.47	1.57
Expenses related to post-employment defined benefit plans	0.56	0.42
Expenses related to compensated absences	0.61	0.51
Staff welfare expenses	5.13	4.00
Stock compensation expense (refer note 40 and 27B)	0.40	1.70
	36.04	**35.95**

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund (PF) and employees' state insurance (ESI) scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and ESI for the year aggregated to INR 1.47 crores (31 March 2020: INR 1.51 crores)

ProConnect Supply Chain Solutions Limited
Chennai

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

11 Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest on cash credit / working capital loans	5.82	7.30
Interest on loan from related parties	0.85	-
Interest on others	0.85	0.72
Finance cost on finance lease obligations	3.00	3.73
	10.52	**11.75**

12 Depreciation and amortisation expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment (refer note 15)	4.36	5.14
Amortisation of intangible assets (refer note 16)	3.04	3.09
Depreciation of right-of-use assets (refer note 17)	14.49	27.55
	21.89	**35.78**

13 Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Freight, delivery and shipping charges	94.42	105.20
Rent	45.65	21.46
Outsourced manpower cost	93.90	73.78
Warehouse handling charges	26.38	21.35
Consumption of packing materials	0.93	1.58
Power and fuel	3.45	3.66
Rates and taxes	1.66	2.03
Insurance	0.74	1.03
Repairs and maintenance		
Buildings	0.21	0.26
Machinery	2.34	2.00
Others	8.87	6.56
Directors' sitting fees	0.05	0.10
Legal and professional charges (refer note (a) below)	2.64	2.54
Travel and Conveyance	3.45	3.40
Sales promotion expenses	0.15	0.50
Communication expenses	1.93	2.44
Security services	12.07	11.30
Printing and stationery	2.42	2.63
Provision for other assets	0.15	-
Provision for doubtful debts	-	2.44
Provision for financial asset (refer note (c) below)	3.41	11.89
Provision for security deposits	0.30	-
Bad debts written off (net of adjustment against provision for doubtful receivables INR 0.03 crores (31 March 2020: Nil)	1.27	-
Derecognition of financial asset	0.38	-
Bank charges	0.20	0.09
Expenditure on Corporate social responsibility (refer note (b) below)	0.61	0.80
Miscellaneous expenses	1.00	1.49
	308.58	**278.53**

ProConnect Supply Chain Solutions Limited
Chennai

13 Other expenses (continued)

a. Payment to auditors

	Year ended 31 March 2021	Year ended 31 March 2020
Statutory audit	0.26	0.22
Tax audit	0.03	0.03
Other services	0.01	0.01
Reimbursement of expenses	0.01	0.01
	0.31	**0.27**

b. Details of corporate social responsibility expenditure

	Year ended 31 March 2021	Year ended 31 March 2020
Amount required to be spent by the Company during the year	0.61	0.80
Amount spent during the year (in cash) :		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.12	0.80
	0.12	**0.80**

c. Provision for financial assets

The Company has carried out recoverability assessment on the balances receivable from Rajprotim Agencies Private Limited ('RAPAL'), vendor for Rajprotim Supply Chain Solutions Limited ('RCS'), subsidiary of the Company. Based on the such assessment, the management has recorded INR 3.41 crores (31 March 2020: INR 11.89 crores) as provision for the loans given to RAPAL and interest accrued there on. The gross amount receivable from RAPAL amounts to INR 15.30 crores (31 March 2020: INR 13.89 crores) (refer note 24). The remaining amount of the loan is secured by 89% equity shares and a parcel of land of RAPAL. The management is in the process of taking necessary steps to recover the balances from RAPAL.

14 Income tax

A. Amount recognised in the profit and loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current tax		
Current period	5.69	3.18
Change in estimates to prior periods	-	0.17
Total current tax expense	**5.69**	**3.35**
Deferred tax		
Origination and reversal of temporary difference	(4.45)	(2.15)
Reduction in tax rates	-	0.45
Total deferred tax expense / (benefit)	**(4.45)**	**(1.70)**
	1.24	**1.65**

ProConnect Supply Chain Solutions Limited
Chennai

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

14 Income tax (continued)

B. Income tax recognised in other comprehensive income

	Year ended 31 March 2021			Year ended 31 March 2020		
	Before tax	**Tax (expense) / benefit**	**Net of tax**	**Before tax**	**Tax (expense) / benefit**	**Net of tax**
Remeasurement of defined benefit liability (asset)	(0.03)	0.01	(0.02)	(0.40)	0.10	(0.30)
	(0.03)	**0.01**	**(0.02)**	**(0.40)**	**0.10**	**(0.30)**

C. Reconciliation of effective tax rate

		Year ended 31 March 2021		Year ended 31 March 2020
Profit / (loss) before tax		**18.37**		**(17.21)**
Enacted tax rates in India	25.17%	4.62	25.17%	(4.33)
Computed expected tax expense				
Changes in tax rates	0.00%	-	-2.61%	0.45
Remeasurement of recognised deductible temporary difference on customer relationship acquired upon amalgamation (refer note 39)	-23.35%	(4.29)	0.00%	-
Changes in estimates related to prior years	0.00%	-	-0.99%	0.17
Effect of non-deductible expenses	4.03%	0.74	-32.19%	5.54
Others	0.93%	0.17	1.05%	(0.18)
Income tax expense	**6.77%**	**1.24**	**-9.58%**	**1.65**

ProConnect Supply Chain Solutions Limited
Chennai

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

14 Income tax (continued)

D. 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)	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Property, plant and equipment	2.15	1.98	-	-	2.15	1.98
Intangible assets	0.03	-	-	3.86	0.03	(3.86)
Provision - employee benefits	2.28	1.61	-	-	2.28	1.61
Finance lease receivable		-	1.17	1.16	(1.17)	(1.16)
Right-of-use assets/Lease liabilities	0.03	-	-	1.15	0.03	(1.15)
Finance lease payable	1.50	2.80	-	-	1.50	2.80
Provision - others	1.49	1.63	-	-	1.49	1.63
Net deferred tax (assets) liabilities	**7.48**	**8.02**	**1.17**	**6.17**	**6.31**	**1.85**

Movement in temporary differences:

	Balance as at 1 April 2019	Transition impact on account of Ind AS 116	Recognized in profit or loss during 2019-20	Recognized in OCI during 2019-20	Balance as at 31 March 2020	Recognized in profit or loss during 2020-21	Recognized in OCI during 2020-21	Balance as at 31 March 2021
Property, plant and equipment	0.06	-	1.92	-	1.98	0.17	-	2.15
Intangible assets	(4.37)	-	0.51	-	(3.86)	3.89	-	0.03
Provision - employee benefits	1.67	-	(0.16)	0.10	1.61	0.66	0.01	2.28
Finance lease receivable	(1.58)	-	0.42	-	(1.16)	(0.01)	-	(1.17)
Right-of-use assets/Lease liabilities	-	1.05	(2.20)	-	(1.15)	1.18	-	0.03
Finance lease payable	2.99	-	(0.19)	-	2.80	(1.30)	-	1.50
Provision - others	0.23	-	1.40	-	1.63	(0.14)	-	1.49
	(1.00)	**1.05**	**1.70**	**0.10**	**1.85**	**4.45**	**0.01**	**6.31**

ProConnect Supply Chain Solutions Limited
Chennai

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

15 Property, plant and equipment

A. Reconciliation of carrying amount

Particulars	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Lease hold improvemen	Vehicles	Total
Deemed cost / Cost (Gross carrying amount)							
Balance as at 1 April 2019	**10.61**	**4.84**	**7.13**	**7.90**	**-**	**2.65**	**33.13**
Finance lease	(4.60)	(0.60)	-	(0.92)	-	-	(6.12)
Additions	1.37	0.04	0.39	1.00	0.18	0.29	3.27
Disposals	(0.01)	-	(0.06)	(0.24)	-	(0.39)	(0.70)
Balance as at 31 March 2020	**7.37**	**4.28**	**7.46**	**7.74**	**0.18**	**2.55**	**29.58**
Finance lease	-	-	-	-	-	-	-
Additions (also refer note B below	1.17	0.06	0.15	1.31	-	0.37	3.06
Disposals	-	-	(0.03)	-	-	(0.09)	(0.12)
Balance as at 31 March 2021	**8.54**	**4.34**	**7.58**	**9.05**	**0.18**	**2.83**	**32.52**
Accumulated depreciation							
Balance as at 1 April 2019	**3.94**	**2.46**	**3.26**	**4.39**	**-**	**0.96**	**15.01**
Finance lease	(0.35)	(0.09)	-	(0.07)	-	-	(0.51)
Additions	1.18	0.82	1.07	1.49	0.09	0.49	5.14
Disposals	-	(0.01)	(0.01)	(0.05)	-	(0.29)	(0.36)
Balance as at 31 March 2020	**4.77**	**3.18**	**4.32**	**5.76**	**0.09**	**1.16**	**19.28**
Finance lease							-
Additions	1.29	0.58	0.72	1.23	0.09	0.45	4.36
Disposals	-	-	(0.01)	-	-	(0.04)	(0.05)
Balance as at 31 March 2021	**6.06**	**3.76**	**5.03**	**6.99**	**0.18**	**1.57**	**23.59**
Carrying amount (net)							
As at 31 March 2020	2.60	1.10	3.14	1.98	0.09	1.39	10.30
As at 31 March 2021	**2.48**	**0.58**	**2.55**	**2.06**	**-**	**1.26**	**8.93**

B. Property, plant and equipment held under finance leases

The Company had acquired a set of warehouse racks amounting to INR Nil (31 March 2020: INR 5.07 crores) under a finance lease arrangement. The lease provides the Company with an option to purchase the warehouse racks at the end of the lease term. The lease equipment secures the related lease obligations (Refer note 29). Out of these leased asset, the Company has sub leased assets amounting to INR 4.84 crore under a finance lease arrangement. During the year previous year the entire assets acquired under finance lease has been reclassified to right-of-use of assets and corresponding liabilities have been reclassified to lease liabilities. (Refer note 17). The gross and net carrying amounts of furniture and fixture acquired under finance leases and included in above as follows:

Particulars	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Total
Cost					
Balance as at 1 April 2019	4.60	0.60	0.23	0.92	6.35
Finance lease reclassified to right-of-use of assets	(4.60)	(0.60)	(0.23)	(0.92)	(6.35)
Cost as at 31 March 2020 (included above)	-	-	-	-	-
Finance lease reclassified	-	-	-	-	-
Cost as at 31 March 2021 (included above)	-	-	-	-	-
Accumulated depreciation					
Balance as at 1 April 2019	(0.35)	(0.09)	(0.06)	(0.07)	(0.57)
Finance lease reclassified to right-of-use of assets	0.35	0.09	0.06	0.07	0.57
Accumulated depreciation as at 31 March 2020	-	-	-	-	-
Finance lease reclassified to right-of-use of assets	-	-	-	-	-
Accumulated depreciation as at 31 March 2021	-	-	-	-	-
Carrying amount (net)					
As at 31 March 2020	-	-	-	-	-
As at 31 March 2021	-	-	-	-	-

Further, additions also does not include an amount of INR Nil (31 March 2020: INR 0.66 crores) in respect of certain property, plant and equipment that were acquired by the Company and given on finance lease.

ProConnect Supply Chain Solutions Limited
Chennai

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

16 Intangible assets

Particulars	**Customer relationship**	**Goodwill**	**Software**	**Total**
Deemed cost / Cost (Gross carrying amount)				
Balance as at 1 April 2019	**15.01**	**19.34**	**5.56**	**39.91**
Additions	-	-	0.26	0.26
Disposals	-	-	-	-
Balance as at 31 March 2020	**15.01**	**19.34**	**5.82**	**40.17**
Additions	-	-	0.36	0.36
Disposals	-	-	-	-
Balance as at 31 March 2021	**15.01**	**19.34**	**6.18**	**40.53**
Accumulated amortisation				
Balance as at 1 April 2019	-	-	**0.61**	**0.61**
Additions	2.01	-	1.08	3.09
Impairment	-	3.60	-	3.60
Disposals	-	-	-	-
Balance as at 31 March 2020	**2.01**	**3.60**	**1.69**	**7.30**
Additions	1.88	-	1.16	3.04
Disposals	-	-	-	-
Balance as at 31 March 2021	**3.89**	**3.60**	**2.85**	**10.34**
Carrying amount (net)				
As at 31 March 2020	13.00	15.74	4.13	32.87
As at 31 March 2021	**11.12**	**15.74**	**3.33**	**30.19**

B. Impairment

See accounting policy in Note 3.7

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to one of the Company's component which represent the lowest level within the Company at which goodwill is monitored for internal management purposes, which is not higher than the Company's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Year ended 31 March 2021	**Year ended 31 March 2020**
Consumer markets division - Auroma		
Goodwill	11.12	13.00
	11.12	**13.00**

Consumer markets division - Auroma

The recoverable amount of this cash-generating units ("CGU") is based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. Five years of cash flows have been included in the discounted cash flow model. The carrying amount of the unit has been determined to be lower than its recoverable amount and Nil (31 March 2021: INR 3.60 crores) of impairment loss has been recognised.

The key assumptions used in the estimation of the recoverable amount are set below. The values assigned to the key assumptions represent management's assessment of future trends in relevant industries and have been based on historical data from both external and internal sources.

	Year ended 31 March 2021	**Year ended 31 March 2020**
Revenue growth rate range over the forecast period	38.14% to 10%	-6.9% to 20%
Terminal growth rate	4.50%	5%
EBITDA range over the forecast period	7.50% to 9.40%	9.11% to 10.20%
Risk-adjusted discount rates	16.58%	18.00%

ProConnect Supply Chain Solutions Limited Chennai

16 Intangible assets (continued)

B. Impairment (continued)

The Company has considered it appropriate to undertake the impairment assessment with reference to the latest business plan which includes a five year cash flow forecast. The growth rates used in the VIU calculation reflect those inherent within Auroma's business plan, which in primarily a function of the Auroma future assumptions, past performance and management's expectation of future market development through to FY 2025-26. The future cash flows consider potential risks given the current economic environment and key assumptions, such as revenue growth rate and EBITDA. The Company has assessed potential impact, if any, in context of COVID-19 pandemic and its impact on business as well while developing the business plan. Due to changes in business environment on account of COVID-19 pandemic, the Company has recognized an impairment loss on goodwill of INR Nil (31 March 2020: INR 3.60 crores). Impairment charge towards goodwill and has been disclosed as an exceptional item in the above standalone financial statements.

The cash flow for the FY 2025-26 are extrapolated into perpetuity assuming a growth rate as stated above which is set with reference to weighted-average GDP growth of the country and industry in which the CGU operate.

The entire impairment losses in the standalone financial statements of the Company has been adjusted against the goodwill as mentioned above.

Sensitivity to key assumptions

Significant unobservable inputs used in valuation	Sensitivity to changes in assumption and inter relationship between key unobservable inputs and fair value measurement
Risk-adjusted discount rates	Estimated fair value would decrease / (increase) if expected discount rate were higher / (lower)
Terminal value growth rate	Estimated fair value would increase / (decrease) if expected terminal value growth rate were higher / (lower)
Budgeted EBITDA growth rate	Estimated fair value would increase / (decrease) if expected budgeted EBITDA growth rate were higher / (lower)

The change in the following assumptions used in the impairment review would, in isolation, lead to an increase to aggregate impairment loss to be recognized as at 31 March 2021 and 31 March 2020 (although it should be noted that these sensitivities do not take account of potential mitigating actions):

	As at 31 March 2021	As at 31 March 2020
Decrease in EBITDA by 1% over the forecast period	-	3.99
Decrease in terminal rate by 1%	-	1.77
Increase in discount rate by 1%	-	2.31

ProConnect Supply Chain Solutions Limited Chennai

17 Leases

Leases as lessee (Ind AS 116)

The leased assets of the Company includes warehouse buildings, plant and machinery, furniture and fixtures and computers taken on lease for providing warehousing and other 3PL services to the customers. The leases typically run for a period of 1 to 5 years, with an option to renew certain leases after that date. Previously, these leases were classified as operating leases under Ind AS 17. On transition to Ind AS 116, the Company recognized right-of-use of assets at its carrying amount as if the standard has been applied since the commencement of the lease. The summary of the movement of right-of-use assets for the year is given below:

Information about leases for which the Company is a lessee is presented below

i. Right-of-use assets

	As at 31 March 2021	As at 31 March 2020
Balance as at 1 April	27.94	73.94
Additions to right-of-use assets	15.30	15.44
Less: Depreciation charge for the year	(14.49)	(27.55)
Less: Lease modifications	(0.47)	-
Less: Transfers	(0.99)	-
Less: Terminated contracts	(5.68)	(33.89)
Balance as at 31 March	**21.61**	**27.94**

On transition to Ind AS 116, the Company recognized lease liabilities measured at the present value of remaining lease payments. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	As at 31 March 2021	As at 31 March 2020
Lease liabilities under Ind AS 116		
Less than one year	13.40	13.03
One to five years	14.29	21.48
More than 5 years	-	-
Total lease liabilities as at 31 March	**27.69**	**34.51**

Finance lease

The Company has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of INR 6.12 crores has been reclassified from property, plant and equipment to right-of-use assets. An amount of INR 1.66 crores has been reclassified from Current financial liabilities to lease liability – current and an amount of INR 8.6 crores has been reclassified from borrowings – non current to lease liability – non-current.

Impact of COVID-19 (Pandemic)

The Company does not foresee any large-scale contraction in business which could result in significant down-sizing of its leased assets making its infrastructure redundant. The leases that the Company has entered with lessors towards properties used as warehouses are medium to long term in nature and no changes in terms of those leases are expected due to the COVID-19

ProConnect Supply Chain Solutions Limited
Chennai

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

18 Non-current investments

	As at 31 March 2021	As at 31 March 2020
Unquoted equity shares in subsidiaries at cost		
11,166,666 (31 March 2020: 11,166,666) equity shares of Rajprotim Supply Chain Solutions Limited (RCS)	32.97	32.97
Less: Aggregate amount of impairment in value of investments	(11.81)	(11.81)
	21.16	**21.16**

Name of the subsidiary	Principal place of business	Proportion of Ownership interest As at 31 March 2021	As at 31 March 2020
Rajprotim Supply Chain Solutions Limited (RCS)	Kolkata, India	100%	100%

The Company is of the view that the operations of subsidiary i.e. RCS as cash-generating unit ('CGU').

Management performed an impairment assessment as at 31 March 2021 and as at 31 March 2020. The recoverable value was determined by Value in use ('VIU'). During the previous year, the recoverable amount was lower than the carrying value of the CGU and this resulted in an impairment charge for INR 11.80 crores for investment made RCS . This amount is recognized as provision for impairment in other expenses (refer note no 13) as at 31 March 2020.

The approach and key assumptions used to determine the CGU's VIU were as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue growth rate range over the forecast period	10% to 30%	6.9% to 35%
Terminal growth rate range over the forecast period	2%	5%
EBITDA range over the forecast period	6.49% to 10.70%	2.4% to 15%
Terminal EBITDA	9.88%	13%
Discount rate	16.77%	19.50%

The Company has considered it appropriate to undertake the impairment assessment with reference to the latest business plan which includes a five year cash flow forecast. The growth rates used in the VIU calculation reflect those inherent within the RCS's business plan, which in primarily a function of the RCS future assumptions, past performance and management's expectation of future market development through to FY 2025-26. The future cash flows consider potential risks given the current economic environment and key assumptions, such as revenue growth rate and EBITDA. The Company has assessed potential impact, if any, in context of COVID-19 pandemic and its impact on business as well while developing the business plan. Due to changes in business environment on account of COVID-19 pandemic, the Company has recognized INR 11.80 crores was recognised during the year and the impairment charge towards investments and has been disclosed as an exceptional item in the above financial statements.

The cash flow for the FY 2025-26 are extrapolated into perpetuity assuming a growth rate as stated above which is set with reference to weighted-average GDP growth of the country and industry in which the subsidiaries operate.

The entire impairment losses in the standalone financial statements of the Company has been adjusted against the gross carrying value of investments as mentioned in the note above.

Sensitivity to key assumptions

The change in the following assumptions used in the impairment review would, in isolation, lead to an increase to aggregate impairment loss to be recognized as at 31 March 2021 and 31 March 2020 (although it should be noted that these sensitivities do not take account of potential mitigating actions):

	As at 31 March 2021	As at 31 March 2020
Decrease in revenue growth by 5% over the forecast period	5.82	30.49
Decrease in EBITDA by 5% over the forecast period	21.16	32.97
Decrease in terminal rate by 1%	-	15.42
Increase in discount rate by 1%	-	16.77

ProConnect Supply Chain Solutions Limited ★ Chennai

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

19 Inventories

	As at 31 March 2021	As at 31 March 2020
Spares*	-	-
	-	-

* Inventory of spares as at 31 March 2021 of INR 32,635 (31 March 2020: INR 9,465) has been rounded off in crores to Nil.

20 Trade receivables

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good	89.48	81.51
Doubtful	2.56	3.10
Less : Loss allowance	(2.56)	(3.10)
	89.48	**81.51**
Current	89.48	81.51
	89.48	**81.51**

Of the above, trade receivables from related parties are as below:

	As at 31 March 2021	As at 31 March 2020
Total trade receivables from related parties (refer note 37)	14.01	10.95
Less: Loss allowance	-	-
Net trade receivables	**14.01**	**10.95**

21 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Cash in hand	0.09	0.07
Balance with banks:		
- in current accounts	8.71	2.17
- on deposit accounts (with original maturity of 3 months or less)	2.00	-
Cash and cash equivalents in balance sheet	10.80	2.24
Less: Bank overdrafts and cash credit facilities used for cash management purposes	(6.09)	(30.80)
Cash and cash equivalents in the statements of cash flows	**4.71**	**(28.56)**

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2021

ProConnect Supply Chain Solutions Limited
Chennai

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

22 Other bank balances

	As at 31 March 2021	As at 31 March 2020
Fixed deposits with original maturity of more than three months	8.87	22.57
	8.87	**22.57**

Other bank balances includes INR 0.56 crores (31 March 2020: INR 1.12 crores) of fixed deposit is pledged against the Overdraft facility availed from SBI and South Indian Bank.

23 Deposits and other receivables

	As at 31 March 2021	As at 31 March 2020
Non-current		
Security deposit		
Unsecured, considered good	12.73	9.51
	12.73	**9.51**
Current		
Security deposit		
Unsecured, considered good	6.72	4.50
Doubtful	0.30	-
Less : Loss allowance	(0.30)	-
	6.72	**4.50**

24 Loans

	As at 31 March 2021	As at 31 March 2020
Secured, considered good		
Loan to body corporates*	2.00	2.00
Less: Loss allowance	(2.00)	-
	-	2.00
Secured, considered doubtful		
Loan to body corporates*	10.00	10.00
Less: Loss allowance	(10.00)	(10.00)
	-	-
Unsecured, considered good		
Loan to body corporates	29.90	11.10
Less: Loss allowance	-	-
	29.90	11.10
	29.90	**13.10**
Non-current	21.40	-
Current	8.50	13.10
	29.90	**13.10**

* The Company has given INR 12 crore as loan to Rajprotim Agencies Private Limited ('RAPAL'). Out of INR 12 crores, INR 10 crores is secured by a pledge of 89% equity shares of RAPAL and INR 2 crores is secured by a parcel of land.

ProConnect Supply Chain Solutions Limited ★ Chennai

25 Other financial assets

	As at 31 March 2021	As at 31 March 2020
Non-current		
Long term finance lease receivable (refer note (b) below)	3.83	3.76
	3.83	**3.76**
Current		
Unbilled revenue	9.14	7.76
Current maturities of finance lease receivable (refer note (b) below)	0.79	0.83
Interest accrued	4.18	2.04
Less: Provision for interest receivable (refer note 13(c))	(3.30)	(1.89)
Others (refer note (a) below)	1.94	2.79
	12.75	**11.53**

a Others includes INR 0.40 crores (31 March 2020: INR 0.40 crores) extended as housing loan to managing director of the Company. Such loan carries interest of 9% p.a.

b Finance lease receivable

The Company's leasing arrangement represents the certain pallets and other assets given to customers which have been classified under Ind AS 17 on Leases as Finance lease. The lease term covers the substantial period of the assets and all the risks and rewards of ownership are transferred to the lessee. The Company records disposal of the property concerned and recognizes the finance income as revenue from operations.

The reconciliation between the gross investment in the lease at the end of the reporting period, and the present value of minimum lease payments receivable at the end of the reporting period are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Gross investment	6.43	6.43
Unearned finance income	(1.81)	(1.84)
Net investment	**4.62**	**4.59**

Finance leases are receivable as follows:

Gross investment	As at 31 March 2021	As at 31 March 2020
Within less than one year	1.46	1.38
Between One and five years	4.97	4.31
After more than five years	-	0.74
	6.43	**6.43**

Present value of minimum lease payments	As at 31 March 2021	As at 31 March 2020
Within less than one year	0.79	0.83
Between One and five years	3.83	3.06
After more than five years	-	0.70
	4.62	**4.59**

ProConnect Supply Chain Solutions Limited * Chennai

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

26 Other assets

	As at 31 March 2021	As at 31 March 2020
Non-current		
Capital advances	0.02	0.16
Prepayments	2.60	1.57
Receivable from government authorities	2.24	2.94
	4.86	**4.67**
Current		
Prepayments	2.70	2.08
Balances with statutory authorities	12.22	2.78
Others	2.98	5.88
	17.90	**10.74**

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

27A Share Capital

	As at 31 March 2021	As at 31 March 2020
Authorised		
15,010,000 (31 March 2020: 15,000,000) equity shares of Rs. 10 each	15.01	15.00
Issued, Subscribed and Paid-up		
9,081,465 (31 March 2020: 9,081,465) equity shares of Rs. 10 each fully paid up	9.08	9.08

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	90,81,465	9.08	90,81,465	9.08
Shares issued for cash	-	-	-	-
At the end of the year	**90,81,465**	**9.08**	**90,81,465**	**9.08**

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, voting rights or otherwise. 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.

Shares held by holding / ultimate holding company and / or their subsidiaries / associates and particulars of shareholder holding more than 5% shares of a class of shares

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10/- each paid up held by Redington (India) Limited and its nominees	90,81,465	9.08	90,81,465	9.08

27B Other equity

a. Securities premium

	As at 31 March 2021	As at 31 March 2020
At the commencement of the year	35.47	35.47
Share issued for cash	-	-
At the end of the year	**35.47**	**35.47**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013

b. Capital reserve

	As at 31 March 2021	As at 31 March 2020
At the commencement of the year	5.01	3.31
Stock Compensation Cost (Refer Note 10)	0.40	1.70
At the end of the year	**5.41**	**5.01**

Capital reserve represents accumulated stock compensation cost in respect of Stock Appreciation Rights granted to the employees and directors of the Company by the holding company.

ProConnect Supply Chain Solutions Limited ★ Chennai

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

27B Other equity (continued)

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

A. Other items of OCI

	As at 31 March 2021	As at 31 March 2020
Remeasurements of defined benefit liability (asset)	(1.51)	(1.49)
	(1.51)	**(1.49)**

Remeasurements of defined benefit liability (asset)

	As at 31 March 2021	As at 31 March 2020
Opening balance	(1.49)	(1.19)
Remeasurements of defined benefit liability (asset)	(0.02)	(0.30)
Closing balance	**(1.51)**	**(1.49)**

Remeasurements of defined benefit liability (asset)

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

27C Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholder through the optimisation of debt and equity balances by maintaining an appropriate level of parity between them. The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. Adjusted equity comprises all components of equity. Adjusted net debt comprises short term as well as long term borrowings including finance leases, less cash and cash equivalents. The Company's policy is to keep this ratio below 1.00. The Company's adjusted net debt to equity ratio at the end of the year is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Total borrowings - short term and long term	84.69	126.82
Less: Cash and cash equivalents and other bank balances	(19.67)	(24.81)
Net Debt (A)	**65.02**	**102.01**
Total Equity (B)	**116.77**	**99.26**
Adjusted net debt to adjusted equity ratio	**0.56**	**1.03**

28 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 (basic and diluted)

	Year ended 31 March 2021	Year ended 31 March 2020
Profit / (Loss)for the year before exceptional items, attributable to the equity holders	18.86	(4.13)
Profit / (Loss)for the year after exceptional items, attributable to the equity holders	18.86	(21.10)

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

	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance	90,81,465	90,81,465
Effect of fresh issue of shares for cash	-	-
Weighted average number of equity outstanding during the year	**90,81,465**	**90,81,465**

ProConnect Supply Chain Solutions Limited
Chennai

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

29 Borrowings

	As at 31 March 2021	As at 31 March 2020
Non current borrowings		
Terms loans from banks (secured)	4.56	-
Total non-current borrowings	**4.56**	-
Current borrowings		
Loans from banks		
Cash credit facilities (secured)	1.10	30.76
Overdraft facilities (secured)	4.99	0.04
Working capital demand loan (secured)	15.00	32.50
Terms loans from banks (secured)	11.35	29.01
Loan from related parties (unsecured)	20.00	-
	52.44	**92.31**
Current portion of long term borrowing		
Terms loans from banks (secured)	6.08	-
Less: Amount included under other "Other financial liability"	(6.08)	-
	-	-
Total current borrowings	**52.44**	**92.31**

Information about the Company's exposure to interest rate and liquidity risk is provided in Note 34

The Company could not meet a few of the loan covenants associated with term loans availed from HDFC Bank. The Company is in the process of obtaining the waiver from the bank. The management believes that the risk of covenant being breached in future is low. Since these covenants are breached as at 31 March 2021 these terms loans are classified as current borrowings. As at 31 March 2020, loan covenants associated with loans availed both from HDFC and IDFC banks were not met. Therefore, both these loans were classified as current borrowings as at 31 March 2020.

Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying amount as at 31 March 2021	Carrying amount as at 31 March 2020
Cash credit from banks	INR	9.5% - 10%	2021-22	1.10	30.76
Term loans	INR	8.7% - 11.13%	2021-22	11.35	19.50
Term loans	INR	9.70%	2022-23	3.50	-
Term loans	USD	6.96%	2022-23	7.14	9.51
Overdraft facilities from banks	INR	10% - 7.7%	2021-22	4.99	0.04
Loan from related parties	INR	7.45%	2021-22	20.00	-
Working capital demand loan	INR	8.95% - 10.4%	2021-22	15.00	32.50
				63.08	**92.31**

Summary of borrowing arrangements

Cash credit from banks and working capital demand loan from banks is secured by a pari-passu charge on all receivables / book debts of the Company

Overdraft facilities from banks is secured by fixed deposits of INR 0.56 crores.

Overdraft facilities availed from SBM Bank (India) Ltd is secured by exclusive first charge on income tax assets

Term loan from HDFC is secured by moveable fixed assets with a security cover of not less than 1.00 times of outstanding term loan. Term loan from IDFC bank is secured by first pari passu charge over book debts both present and future, exclusive charge on the security deposits of the company both present and future.

ProConnect Supply Chain Solutions Limited * Chennai

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

29 Borrowings (continued)

Details of borrowings availed and repaid

Particulars	Cash credit and overdraft from banks	Working capital demand loan including related party loans	Term loans	Finance lease obligations	Total
Balance at the 1 April 2019					
- Borrowings	**26.61**	**19.50**	**15.00**	**10.26**	**71.37**
- Other financial liabilities	-	-	-	-	-
Changes from financing cash flows					
Loans availed during the year	-	107.50	15.52	-	**123.02**
Loans repaid during the year	-	(94.50)	(1.51)	(33.58)	**(129.59)**
Interest expense	3.30	1.94	2.06	3.73	**11.03**
Interest paid	(3.30)	(1.94)	(2.06)	-	**(7.30)**
Total changes from financing cash flows	-	**13.00**	**14.01**	**(29.85)**	**(2.84)**
Other changes					
Liability-related					
Change in bank overdraft	(0.35)	-	-	-	**(0.35)**
Change in cash credits	4.54	-	-	-	**4.54**
On account transition to Ind AS 116	-	-	-	72.54	**72.54**
On account of termination	-	-	-	(33.89)	**(33.89)**
New finance leases	-	-	-	15.45	**15.45**
Total liability-related other changes	**4.19**	-	-	**54.10**	**58.29**
Balance at the 31 March 2020					
-Borrowings	**30.80**	**32.50**	**29.01**	-	**92.31**
-Lease liabilities	-	-	-	**34.51**	**34.51**
Balance at the 1 April 2020					
- Borrowings	**30.80**	**32.50**	**29.01**	-	**92.31**
-Lease liabilities	-	-	-	**34.51**	**34.51**
Changes from financing cash flows					
Loans availed during the year	-	76.40	-	-	**76.40**
Loans repaid during the year	-	(73.90)	(7.02)	(18.97)	**(99.89)**
Interest expense	1.80	2.52	2.35	3.00	**9.67**
Preclosure charges	-	-	-	0.55	**0.55**
Preclosure charges paid	-	-	-	(0.55)	**(0.55)**
Interest paid	(1.80)	(2.52)	(1.67)	-	**(5.99)**
Total changes from financing cash flows	-	**2.50**	**(6.34)**	**(15.97)**	**(19.81)**
Other changes					
Liability-related					
Change in bank overdraft	4.95	-	-	-	**4.95**
Change in cash credits	(29.66)	-	-	-	**(29.66)**
On account of termination	-	-	-	(5.68)	**(5.68)**
On account of modification	-	-	-	(0.47)	**(0.47)**
New finance leases	-	-	-	15.30	**15.30**
Total liability-related other changes	**(24.71)**	-	-	**9.15**	**(15.56)**
Balance at the 31 March 2021					
-Borrowings	**6.09**	**35.00**	**15.91**	-	**57.00**
-Other financial liability	-	-	**6.76**	-	**6.76**
-Lease liability	-	-	-	**27.69**	**27.69**

ProConnect Supply Chain Solutions Limited ★ Chennai

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

30 Trade payables

	As at 31 March 2021	As at 31 March 2020
Trade payables to related parties	0.87	1.52
Other trade payables	54.56	31.02
	55.43	**32.54**

All trades payables are 'current'

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 34. Also, refer note 38 on Micro, Small and Medium Enterprises.

31 Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Advance from customers	-	0.01
Deposit from customers	6.53	0.32
Current maturities of long term borrowings	6.08	-
Capital creditors	-	0.66
Other payables	15.51	0.85
	28.12	**1.84**
Non current	6.53	0.32
Current	21.59	1.52
	28.12	**1.84**

The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in note 34.

32 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Dues to employees	3.53	3.04
Statutory dues	3.68	2.27
	7.21	**5.31**
Non current	-	-
Current	7.21	5.31
	7.21	**5.31**

ProConnect Supply Chain Solutions Limited * Chennai

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

33 Provisions

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits				
Liability for gratuity	4.66	4.15	0.50	0.53
Liability for compensated absences	1.75	1.46	0.20	0.16
	6.41	**5.61**	**0.70**	**0.69**

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

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 and interest rate 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 2021	As at 31 March 2020
Balance at the beginning of the year	4.68	3.75
Benefits paid	(0.42)	(0.32)
On account of transfer of employees	-	0.15
Current service cost	0.56	0.40
Interest cost	0.31	0.30
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	0.03	0.28
- experience adjustments	-	0.12
Balance at the end of the year	**5.16**	**4.68**

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

	Year Ended 31 March 2021	Year Ended 31 March 2020
Current service cost	0.56	0.40
Interest cost	0.31	0.30
	0.87	**0.70**

ProConnect Supply Chain Solutions Limited * Chennai

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

33 Provisions (continued)

D. Remeasurements recognised in other comprehensive income

	Year Ended 31 March 2021	Year Ended 31 March 2020
Actuarial loss on defined benefit obligations	0.03	0.40
	0.03	**0.40**

E. Defined benefit obligation

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date:

	As at 31 March 2021	As at 31 March 2020
Discount rate	6.50%	6.50%
Future salary growth	10.00%	5% - 10%
Attrition rate	12.50%	10% - 12.5%

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 2021		As at 31 March 2020	
	Increase in %	Decrease in %	Increase in %	Decrease in %
Discount rate (1% movement)	(0.29)	0.33	(0.27)	0.29
Future salary growth (1% movement)	0.30	(0.27)	0.27	(0.25)
Attrition rate (1% movement)	(0.07)	0.07	(0.06)	0.07

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

< This space is intentionally left blank>

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

34 Financial instruments - Fair values and risk management

A. Accounting classification and fair values

	Note	As at 31 March 2021				As at 31 March 2020			
		FVTPL	FVOCI	Amortised cost	At cost	FVTPL	FVOCI	Amortised cost	At cost
Financial assets not measured at fair value									
Trade receivables	20	-	-	89.48	-	-	-	81.51	-
Cash and cash equivalents	21	-	-	10.80	-	-	-	2.24	-
Other bank balances	22	-	-	8.87	-	-	-	22.57	-
Loans	24	-	-	29.90	-	-	-	13.10	-
Deposits and other receivables	23	-	-	19.45	-	-	-	14.01	-
Investments	18	-	-	-	21.16	-	-	-	21.16
Other financial assets	25	-	-	16.58	-	-	-	15.29	-
Total financial assets		**-**	**-**	**175.08**	**21.16**	**-**	**-**	**148.72**	**21.16**
Financial liabilities not measured at fair value									
Trade payables	30	-	-	55.43	-	-	-	32.54	-
Lease liabilities	17	-	-	27.69				34.51	
Borrowings	29	-	-	57.00	-	-	-	92.31	-
Other financial liabilities	31	-	-	28.12	-	-	-	1.84	-
Total financial liabilities		**-**	**-**	**168.24**		**-**	**-**	**161.20**	**-**

Note: The Company has not disclosed fair values of financial instruments such as trade receivables, cash and bank balances, loans, deposits and other receivables, trade payables, borrowings 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 standalone 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).

(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 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 34A), because their carrying amounts are a reasonable approximation of fair value.

B. Fair value hierarchy

(a) Financial assets and liabilities measured at amortised cost (continued)

	As at 31 March 2021			As at 31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets not measured at fair value						
Security deposits	-	19.45	-	-	9.51	-
	-	**19.45**	**-**	**-**	**9.51**	**-**

Chain Solutions Limited
Proconnect Supply
Chennai

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

34 Financial instruments - Fair values and risk management (continued)

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.

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 2021	As at 31 March 2020
Trade receivables	89.48	81.51
Cash and bank balances	10.80	2.24
Other bank balances	8.87	22.57
Loans	29.90	13.10
Investments	21.16	21.16
Deposits and other receivables	19.45	14.01
Other financial assets	16.58	15.29
Total	**196.24**	**169.88**

Trade and other receivables

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.

ProConnect Supply Chain Solutions Limited
Chennai

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

34 Financial instruments - Fair values and risk management (continued)

C. Financial risk management (continued)

ii. Credit risk (continued)

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 behaviour 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.

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.

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

	As at 31 March 2021	As at 31 March 2020
Customer A	15.06	11.80
Customer B	13.75	10.47
Customer C	10.99	8.75
Customer D	14.74	9.37
	54.54	**40.39**

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

As at 31 March 2021

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Not due	38.13	0.00%	(0.08)	No
Past due 1-90 days	48.18	0.93%	(0.45)	No
Past due 90-180 days	3.02	12.91%	(0.39)	No
Past due 181-270 days	0.76	9.21%	(0.07)	No
Past due 271-365 days	0.90	71.11%	(0.64)	No
Past due for more than 365 days	1.05	88.57%	(0.93)	No
Total	**92.04**		**(2.56)**	

As at 31 March 2020

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Not due	37.11	0.00%	-	No
Past due 1-90 days	25.08	0.40%	(0.10)	No
Past due 90-180 days	14.16	3.39%	(0.48)	No
Past due 181-270 days	2.94	4.08%	(0.12)	No
Past due 271-365 days	1.51	11.26%	(0.17)	No
Past due for more than 365 days	3.81	58.53%	(2.23)	No
Total	**84.61**		**(3.10)**	

ProConnect Supply Chain Solutions Limited * Chennai

34 Financial instruments - Fair values and risk management (continued)

C. Financial risk management (continued)

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 is as follows:

	As at 31 March 2021	As at 31 March 2020
Balances at 1 April	3.10	0.66
Add: Provision for the year	(0.51)	2.44
Less: Provision reversed against bad debts written off	(0.03)	-
Balance at 31 March	**2.56**	**3.10**

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 19.67 crores at 31 March 2021 (31 March 2020: INR 24.81 crores). 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. The Company 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.

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	Gross	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
31 March 2021							
Non derivative financial liabilities							
Loans from banks ^^	63.08	63.08	55.48	3.04	4.56	-	-
Lease liabilities	27.69	30.46	7.77	7.46	12.05	3.18	-
Trade payables	55.43	55.43	55.43	-	-	-	-
Other financial liabilities	22.04	22.04	15.51	-	6.53	-	-
	168.24	**171.01**	**134.19**	**10.50**	**23.14**	**3.18**	**-**

^^ excluding contractual interest payments

		Contractual cash flows					
	Carrying amount	Gross	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
31 March 2020							
Non derivative financial liabilities							
Loan from banks	92.31	92.31	92.31	-	-	-	-
Lease liabilities	34.51	36.38	7.93	6.33	10.18	11.94	-
Trade payables	32.54	32.61	32.61	-	-	-	-
Other financial liabilities	1.84	1.84	1.84	-	-	-	-
	161.20	**163.14**	**134.69**	**6.33**	**10.18**	**11.94**	**-**

ProConnect Supply Chain Solutions Limited Chennai

34 Financial instruments - Fair values and risk management (continued)

C. Financial risk management (continued)

iii. Liquidity risk (continued)

Impact of COVID-19 (Pandemic):

Financial instruments carried at fair value as at 31 March 2021 is INR Nil (31 March 2020: Nil) and financial instruments carried at amortised cost as at 31 March 2021 is INR 175.08 crores (31 March 2020: 148.72 crores)

Financial assets of INR 175.08 crores as at 31 March 2021 carried at amortised cost is in the form of cash and cash equivalents, bank deposits trade receivables, loans given to body corporates, deposits and other receivables and other financial assets where the Company has assessed the counterparty credit risk. Trade receivables of INR 89.48 crores as at 31 March 2021 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not just based on any mathematical model but an assessment considering the nature of business and the financial strength of the customers in respect of whom amounts are receivable. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in the credit terms and following up for collection etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables INR 9.14 crores as at 31 March 2021 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of INR 2.56 crores as at 31 March 2021 is considered adequate.

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 analyses foreign currency risk from financial instruments:

	As at 31 March 2021		As at 31 March 2020	
	INR	USD	INR	USD
Financial assets:				
Trade receivables	85.11	4.37	77.44	4.07
Investments	21.16	-	21.16	-
Loans	29.90	-	13.10	-
Cash and cash equivalents	10.80	-	2.24	-
Other bank balances	8.87	-	22.57	-
Deposits and other receivables	19.45	-	14.01	-
Other financial assets	15.72	0.86	14.14	1.15
Financial liabilities:				
Borrowings	(49.86)	(7.14)	(82.80)	(9.51)
Lease liabilities	(27.69)	-	(34.51)	-
Trade payables	(55.43)	-	(32.54)	-
Other financial liabilities	(28.12)	-	(1.84)	-
Net assets / (liabilities)	**29.91**	**(1.91)**	**12.97**	**(4.29)**

Sensitivity analysis

A reasonably possible strengthening (weakening) of INR against US dollar at 31 March 2021 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 2021				
USD (1% movement)	(0.19)	0.19	-	-
31 March 2020				
USD (1% movement)	(0.43)	0.43	-	-

ProConnect Supply Chain Solutions Limited ★ Chennai

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

34 Financial instruments - Fair values and risk management (continued)

C. Financial risk management (continued)

Interest rate risk

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

Exposure to interest rate risk

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

Fixed-rate instruments

	31 March 2021	31 March 2020
Fixed rate instruments		
Financial assets - Cash and cash equivalents	2.00	-
Financial assets - Other bank balances	8.87	22.57
Financial assets - Loans	29.90	13.10
Financial assets - Finance lease receivable	4.62	4.59
Financial liabilities- Term loans	(15.91)	(29.01)
Financial liabilities- Loans from related parties	(20.00)	-
Financial liabilities- Overdraft facility	(4.99)	-
Financial liabilities- Working capital loan	(15.00)	(32.50)
Financial liabilities- Finance lease obligation	(27.69)	(34.51)
	(38.20)	**(55.76)**

Variable-rate instruments

	31 March 2021	31 March 2020
Financial liabilities- Secured loan	(1.10)	(30.80)
	(1.10)	**(30.80)**

Cash flow sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basic points 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 2021		
Variable-rate instrument	(0.01)	0.01
Cash flow sensitivity (net)	**(0.01)**	**0.01**
31 March 2020		
Variable-rate instrument	(0.31)	0.31
Cash flow sensitivity (net)	**(0.31)**	**0.31**

35 Operating leases

Leases as lessee

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

Amounts recognised in profit or loss

	Year ended 31 March 2021	Year ended 31 March 2020
Lease expense	45.65	21.46

36 Capital commitments and contingent liabilities

	As at March 31 2021	As at March 31 2020
Estimated amount of contracts remaining to be executed on capital account and not provided	0.45	0.04
Contingencies		
Contingent liabilities:		
Bank guarantees issued	7.00	7.00
Claims not acknowledged as debt	0.32	-

ProConnect Supply Chain Solutions Limited
Chennai

37 Related parties

(i) Names of related parties and description of relationship

Nature of Relationship	Name of the Party
Parties having Significant Influence on the Company	Synnex Mauritius Limited
Holding company	Redington (India) Limited (RIL)
Subsidiary companies	Rajprotim Supply Chain Solutions Limited (RCS)
Associate of holding company	Currents Technology Retail India Limited
Fellow Subsidiary	Rerserv Business Solutions Private Limited
Holding company's trust	Foundation for CSR @ Redington
Key Management Personnel	Mr. E.H. Kasturi Rangan (Managing Director)
	Dr. R. Arunachalam, Chief Executive Officer (CEO) (till 30 June 2020)
	Mr. Kasi Viswanathan P.S, Chief Finance Officer (CFO) (till 21 February 2020)
	Mr. N R Venkatesan, Chief Finance Officer (CFO) (from 20 March 2020)

B. Transaction with key management personnel

i. Loan to Director

The Company as a apart of scheme approved, by members at extra ordinary meeting, granted an unsecured housing loan to its managing director amounting to INR 0.40 crores (31 March 2020: INR 0.40 crores). The interest rate is fixed at 9% p.a.

	Purpose	Year ended 31 March 2021	Year ended 31 March 2020
As at the beginning of the financial year		0.40	-
Given during the financial year	Housing loan	-	0.40
Repaid during the financial year		-	-
As at the end of the financial year		**0.40**	**0.40**
Interest		-	-

ii. 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:

	Managing Director	CEO	CFO	Total
For the year ended 31 March 2021				
Short term employee benefits	0.87	0.35	0.45	1.67
Post-employment defined benefits	-	*	*	*
Compensated absences	-	*	*	*
Stock Compensation expense	0.05	-	-	0.05
Sitting fees	-	-	-	-
Total	**0.92**	**0.35**	**0.45**	**1.71**

	Managing Director	CEO	CFO	Total
For the year ended 31 March 2020				
Short term employee benefits	0.79	0.64	0.47	1.90
Post-employment defined benefits	-	*	*	*
Compensated absences	-	*	*	*
Stock Compensation expense	0.17	0.12	-	0.29
Sitting fees	0.10	-	-	0.10
Total	**1.06**	**0.76**	**0.47**	**2.29**

Compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (see Note 10).

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

ProConnect Supply Chain Solutions Limited Chennai

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

37 Related parties (continued)

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

	Transaction value		Balance outstanding	
	Year ended 31 March 2021	Year ended 31 March 2020	As at 31 March 2021	As at 31 March 2020
Sale of goods and services				
RIL	68.75	56.53	14.01	10.50
RCS	0.35	0.38	-	0.41
Synnex Mauritius Limited	0.02	-	0.02	-
Rental Expenses				
RIL	4.27	4.33	0.78	1.52
Service charges				
RIL	0.97	0.34	-	-
RCS	0.19	-	-	-
Rerserv Business Solutions Private Limited	0.78	-	0.09	
Interest Income				
RCS	1.87	1.05	0.26	0.08
Interest Expense				
RIL	0.85	-	-	-
Loans given				
RCS	20.01	28.82	29.90	11.10
Repayment of loan given				
RCS	1.21	27.48	-	-
Loans obtained				
RIL	42.00	-	20.00	-
Loans repaid				
RIL	22.00	-	-	-
Reimbursement of expenses				
RIL	0.16	0.01	-	-
Customer deposits				
Currents Technology Retail India Limited	-	-	0.03	-

38 Due to micro, small and medium enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2 October 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, the Group's suppliers are covered under the MSMED and accordingly, disclosure of information relating to principal, interest accruals and payments are given below:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(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;	0.30	0.07
(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.	-	-

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

39 Amalgamation of Auroma Logistics Private Limited, wholly owned subsidiary

(a) Pursuant to the Order of Regional Director dated 20 January 2021, Chennai, Auroma Logistics Private Limited (ALPL), an erstwhile wholly-owned subsidiary, was merged with the Company with an appointed date of 1 April 2020.

(b) The merger has been accounted for in the books of Transferee Company and presented effective 1 April 2019 in accordance with "pooling of interest method" as prescribed under Indian Accounting Standard ("Ind AS") 103- "Business Combinations" notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and/ or such other applicable accounting standard prescribed under the Act. The previous year figures have been restated to give the effect of merger in accordance with the scheme.

(c) In accordance with the Scheme:

(i) The transferee company shall record all the assets and liabilities of the Transferor Company transferred to and vested in Transferee company at their respective carrying amount and in same form.

(ii) The investment in the share capital of the Transferor Company in the books of accounts of the Transferee company shall stand cancelled.

(iii) There is no consideration involved in this scheme of amalgamation as the Transferor Company is a wholly owned subsidiary of the Transferee Company.

(iv) Upon the scheme becoming effective, all the assets, liabilities, reserves of the Transferor Company which were appearing in the consolidated financial statements of the transferee Company (including those assets which arose out of the accounting for business combination under IND AS 103 Business Combination) immediately before the amalgamation would now be a part of the standalone financial statements of Transferee Company.

(d) The impact of the above amalgamation on the previously reported balance sheet is as follows:

	As at 31 March 2020			
	As previously reported	**ALPL**	**Adjustments**	**Total**
Assets				
Non-current assets				
Property, plant and equipment	9.12	1.18	-	10.30
Capital Work in Progress	0.05	-	-	0.05
Right-of-use assets	21.03	6.91	-	27.94
Goodwill	-	-	15.74	15.74
Other intangible assets	4.13	-	13.00	17.13
Financial assets				-
Investments	69.96	-	(48.80)	21.16
Deposits and other receivables	8.65	0.86	-	9.51
Other financial assets	3.76	-	-	3.76
Deferred tax assets (net)	5.29	0.43	(3.87)	1.85
Income tax assets (net)	12.89	0.88	-	13.77
Other non-current assets	4.53	0.14	-	4.67
Total non-current assets	**139.41**	**10.40**	**(23.93)**	**125.88**
Current assets				
Inventories	-	-	-	-
Financial assets				
Trade receivables	65.37	16.21	(0.07)	81.51
Cash and cash equivalents	1.03	1.21	-	2.24
Other bank balances	18.63	3.94	-	22.57
Loans	13.10	-	-	13.10
Deposits and other receivables	2.29	2.25	(0.04)	4.50
Other financial assets	6.23	5.76	(0.46)	11.53
Other current assets	10.16	0.08	0.50	10.74
Total current assets	**116.81**	**29.45**	**(0.07)**	**146.19**
Total assets	**256.22**	**39.85**	**(24.00)**	**272.07**

ProConnect Supply Chain Solutions Limited Chennai

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

39 Amalgamation of Auroma Logistics Private Limited, wholly owned subsidiary (continued)

	As at 31 March 2020			
	As previously reported	**ALPL**	**Adjustments**	**Total**
Equity and liabilities				
Equity				
Equity share capital	9.08	0.01	(0.01)	9.08
Other equity				
Capital Reserve	5.01	-	-	5.01
Securities premium	35.47	-	-	35.47
Retained earnings	51.32	23.37	(23.88)	50.81
Others (including items of other comprehensive income)	(1.02)	(0.05)	(0.04)	(1.11)
Total equity	**99.86**	**23.33**	**(23.93)**	**99.26**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Lease liability	17.94	3.54	-	21.48
Other financial liabilities	0.32	-	-	0.32
Provisions	5.28	0.33	-	5.61
Total non-current liabilities	**23.54**	**3.87**	-	**27.41**
Current liabilities				
Financial liabilities				
Borrowings	91.81	0.50	-	92.31
Lease liability	9.37	3.66	-	13.03
Trade payables				
Total outstanding dues to micro enterprises and small enterprises	0.07	-	-	0.07
Total outstanding dues to creditors other than micro enterprises and small enterprises	25.55	6.99	(0.07)	32.47
Other financial liabilities	1.52	-	-	1.52
Provisions	0.57	0.12	-	0.69
Other current liabilities	3.93	1.38	-	5.31
Total current liabilities	**132.82**	**12.65**	**(0.07)**	**145.40**
Total liabilities	**156.36**	**16.52**	**(0.07)**	**172.81**
Total equity and liabilities	**256.22**	**39.85**	**(24.00)**	**272.07**

ProConnect Supply Chain Solutions Limited * Chennai

39 Amalgamation of Auroma Logistics Private Limited, wholly owned subsidiary (continued)

(e)

The impact of the above amalgamation on the previously reported statement of profit and loss for the year ended 31 March 2020 is as follows:

Particulars	As previously reported	ALPL	Adjustments	Total
Revenue				
Revenue from operations	267.68	81.65		349.33
Other income	10.38	0.56		10.94
Total revenue	**278.06**	**82.21**	-	**360.27**
Expenses				
Purchase of spares	0.06	-	-	0.06
Changes in inventories of spares	-	-	-	-
Employee benefits expense	30.70	5.25	-	35.95
Finance costs	11.02	0.73	-	11.75
Depreciation and amortisation expense	27.00	6.77	2.01	35.78
Other expenses	214.13	64.40	-	278.53
Total expenses	**282.91**	**77.15**	**2.01**	**362.07**
Profit / (Loss) before tax and exceptional items	**(4.85)**	**5.06**	**(2.01)**	**(1.80)**
Exceptional items:				
Impairment of Investment	14.70	-	(2.89)	11.81
Impairment of goodwill	-	-	3.60	3.60
Profit / (Loss) before tax	**(19.55)**	**5.06**	**(2.72)**	**(17.21)**
Income tax				
Current tax	1.96	1.39	-	3.35
Deferred tax	(1.08)	(0.11)	(0.51)	(1.70)
Income tax expense	**0.88**	**1.28**	**(0.51)**	**1.65**
Profit / (Loss) for the year	**(20.43)**	**3.78**	**(2.21)**	**(18.86)**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of the defined benefit liability	(0.28)	(0.12)	-	(0.40)
Income tax relating to items that will not be reclassified to profit or loss	0.07	0.03	-	0.10
Net other comprehensive income not to be reclassified subsequently to profit or loss	**(0.21)**	**(0.09)**	-	**(0.30)**
Other comprehensive income for the year, net of income tax				**(0.30)**
Total comprehensive income for the year	**(20.64)**	**3.69**	**(2.21)**	**(19.16)**

(f) The impact of the above amalgamation on the previously reported cash flow statement for the year ended 31 March 2020 is as follows:

Particulars	As previously reported	ALPL	Adjustments	Total
Cash flows from / (used in) operating activities	45.71	4.65	-	50.36
Cash flows from / (used in) investing activities	(42.08)	(0.62)	-	(42.70)
Cash flows from / (used in) financing activities	(6.86)	(7.01)	-	(13.87)

(g) Non-controlling interest

On restatement of comparative periods, the Company has reclassified its opening non-controlling interest relating to remaining 10% stake held in Auroma Logistics Private Limited to opening retained earnings i.e. as at 1 April 2019. As a result, opening retained earning has been increased by INR 3.53 crores. Correspondingly the share of profits to non-controlling for the year 31 March 2020 amounting to INR 0.36 crores, is also added back to profit attributable to owners.

ProConnect Supply Chain Solutions Limited
Chennai

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

40 Stock Appreciation Rights

On 30 December 2017, Redington (India) Limited ('the Holding Company') granted 1,104,000 Stock Appreciation Rights (SARs) to the eligible employees and directors of the Company under the Redington Stock Appreciation Right Scheme, 2017 ('SAR Scheme'). The SAR scheme was duly approved by the Board of Directors and the Shareholders of the Holding Company pursuant to which the shares of the Holding Company will be issued to the eligible employees and directors of the Company.

Each SAR entitles the employees and directors to receive equity shares of the Company equivalent to the increase in value of one equity share ('Appreciation') of the holding company. Appreciation is calculated by reducing the issue price / base price from the reported closing price of the equity shares of the holding company in the NSE / BSE where there is highest trading, on the day prior to the date of exercising of these SARs and multiplying the resultant with the number of SARs exercised.

These SARs vest over a period of 3 years from the date of the grant in the following manner:

10% of the SARs vest after a period of one year from the grant date, 20% of the SARs vest after a period of two years from the grant date and 70% of the SARs vest after a period of three years from the grant date. These SARs are exercisable within a period of three years from the respective date of vesting.

Certain SARs granted to the members of senior management team as identified by the Nomination and Remuneration committee of the Holding Company have an associated performance condition. Of the total SARs granted to senior management team, 35% of the SARs that would vest at the end of 3 years from the date of the grant are subject to these performance condition.

B. Measurement of fair values

The fair value of these SARs were determined based on the grant date fair values using the Black Scholes model. The fair value of the options and inputs as determined by the holding company and used in the measurement of the grant date fair values of the equity settled SARs are as follows:

Particulars	31 March 2021	31 March 2020
Fair value at grant date (weighted-average) (INR)	71.99 per SAR	71.99 per SAR
Share price at grant date (INR)	174.60 per share	174.60 per share
Base price / Exercise price (INR)	148.50 per SAR	148.50 per SAR
Expected volatility (weighted-average)	35.72%	35.72%
Expected life (weighted-average)	4.10 years	4.10 years
Expected dividends	1.20%	1.20%
Risk-free interest rate (weighted-average)	7.02%	7.02%

Expected volatility has been based on an evaluation of the historical volatility of the holding company's share prices. The expected term of the instruments has been determined based on the average of vesting period and the contractual term of the instruments.

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of SARs under the share option plan were as follows:

Particulars	Number of SARs	
	31 March 2021	31 March 2020
Outstanding as at 1 April	10,04,750	11,04,000
Add: Granted during the year	-	-
Less: Exercise during the year	(2,39,850)	-
Less: Forfeited during the year	(2,23,650)	(99,250)
Outstanding as at 31 March	5,41,250	10,04,750
SARs exercisable at the end of the year	5,41,250	Nil

The SARs outstanding as at 31 March 2021 and 31 March 2020 have a base price / exercise price of INR 148.50 per SAR and a weighted average remaining contractual life of nil (31 March 2020: 0.85 years).

D. Expense recognized in statement of profit and loss

The Company has recognized costs with respect to those SARs which were issued to the employees and directors of the Company in the statement of profit and loss as employee benefit expenses. For details on the employee benefit expenses refer note 10. The corresponding credits are accumulated in capital reserve. For details refer note 27B.

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2021

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

41 Company secretary

The Company secretary of the Company has resigned in the month of May 2021. The Company is in the process of identifying and appointing a whole time Company Secretary as required under section 203 of the Companies Act, 2013.

42 Subsequent events

The Board of Directors of the Company in their meeting held on 20 May 2021, have approved a scheme of merger of Rajprotim Supply Chain Solutions Limited, wholly owned subsidiary with the Company with an appointed date of 1 April 2020. This scheme is subject to requisite approvals, including regulatory authorities. The above financial statements are prepared without giving effect to above mentioned scheme.

There are no other significant subsequent events that have occurred after the reporting period till the date of this standalone financial statements.

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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date: 25 May 2021

for and on behalf of the board of directors of
Proconnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

N R Venkatesan
Chief Financial Officer
Place: Chennai
Date: 20 May 2021

B H & CO

Chartered Accountants

Office #18, First Floor, Prince Plaza
Old 46, New 73, Pantheon Road
Egmore, Chennai - 600008
email : chennai@bhco.in

Independent Auditor's Report

To the Members of M/s. Rajprotim Supply Chain Solutions Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **M/s. Rajprotim Supply Chain Solutions Limited ("*the Company*")** which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including 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 (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 state of affairs of the Company as at March 31, 2021, and its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report but does not include the financial statements and our auditors' report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and board of 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 Board of Directors are responsible for overseeing the company's financial reporting process

Auditor's Responsibility 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 SAs 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 SAs, 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness such controls.
- 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 represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, 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 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 and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit we report 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.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of change in equity and the Cash flow statement dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

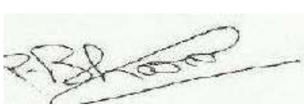
h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position in its financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B H & CO**
Chartered Accountants
Firm Registration No: 013397S



Bharath Kumar P
Partner
Membership No. 222579

Place: Chennai
Date – May 17, 2021
UDIN : 21222579AAAACI5727

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **RAJPROTIM SUPPLY CHAIN SOLUTIONS LIMITED** of even date**)**

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) Company does not have immovable properties held in the name of the Company. In respect of immovable properties taken on lease and disclosed as right-of-use-assets in the financial statements, the lease agreements are in the name of the Company.

ii. The Company is engaged in providing supply chain management services and does not hold any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable.

iii. The Company has not granted any loans or made any investments, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under sec 189 of the Act. Thus Paragraph 3(iii) of the Order is not applicable.

iv. The Company does not have loan, investment, guarantees and security which requires compliance under Sections 185 and 186 of the Companies Act 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.

v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits covered under sections 73 to 76 or any relevant provisions of the act. Accordingly, paragraph 3(v) of the Order is not applicable.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company.

vii. According to the information and explanations given to us in respect of statutory dues:

a) The Company has been regular in depositing of undisputed statutory dues including Provident Fund, Income Tax, Goods and Services Tax, Employees' State Insurance and other material statutory dues during the year with the appropriate authorities. As explained to us, Company did not have any dues on account of duty of customs, duty of excise, value added tax, sales tax and cess.

b) According to the information and explanation given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax and other material Statutory dues in arrears as at March 31, 2021 for a period of more than six months from date they became payable.

c) According to the information and explanations given to us, there are no dues in respect of income tax or value added tax or service tax or goods and service tax that have not been deposited by the Company with the appropriate authorities on account of dispute

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have outstanding dues to any financial institutions and government or dues to debenture holders during the period.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the period

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B H & CO**
Chartered accountant
ICAI Firm Registration No.013397S

Bharath Kumar P
Partner
Membership No: 222579

Place: Chennai,
Date – May 17, 2021
UDIN : 21222579AAAACI5727

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **RAJPROTIM SUPPLY CHAIN SOLUTIONS LIMITED** of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **RAJPROTIM SUPPLY CHAIN SOLUTIONS LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is 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. 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, 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 internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, to the best of our information and according to the explanations given to us, the Company has, 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 March 31, 2021, 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 H & CO**
Chartered accountant
ICAI Firm Registration No.013397S

Bharath Kumar P
Partner
Membership No: 222579

Place: Chennai,
Date – May 17, 2021
UDIN : 21222579AAAACI5727

Rajprotim Supply Chain Solutions Limited

Balance Sheet as at 31 March 2021

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

	Note	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	13	**68.19**	125.21
Intangible assets	14	**23.07**	123.50
Intangible assets Right to use		**146.94**	313.71
Financial assets			
Deposits and other receivables	17	**106.30**	207.55
Deferred tax assets	12	-	-
Income tax Assets		**91.24**	271.24
Other non-current assets	18	**10.17**	29.16
Total non-current assets		**445.91**	**1,070.37**
Current assets			
Financial assets			
Trade receivables	15	**997.90**	1,508.64
Cash and cash equivalents	16	**459.03**	18.34
Deposits and other receivables	17	**371.87**	493.52
Other Financial Assets		-	
Other current assets	18	**49.30**	465.64
Total current assets		**1,878.10**	**2,486.14**
Total assets		**2,324.01**	**3,556.51**
Equity and liabilities			
Equity			
Equity share capital	19A	**1,116.66**	1,116.66
Other equity			
Securities premium	19B	**883.34**	883.34
Retained earnings		**(4,888.68)**	(4,004.38)
Other comprehensive Income		**2.36**	(10.77)
Total equity		**(2,886.32)**	**(2,015.15)**
Liabilities			
Non-current liabilities			
Provisions	25	**26.59**	30.39
Non-current liabilities		**51.37**	167.14
Total non-current liabilities		**77.96**	**197.53**
Current liabilities			
Financial liabilities			
Borrowings	21	**3,714.19**	3,727.22
Trade payables	22		
Total outstanding dues to MSME			1.08
Total outstanding dues to creditors other than to MSME		**1,243.79**	1,291.43
Other financial liabilities	23	**162.53**	328.25
Provisions	25	**0.36**	0.70
Income tax liabilities		-	-
Other current liabilities	24	**11.50**	25.45
Total current liabilities		**5,132.37**	**5,374.13**
Total liabilities		**5,210.33**	**5,571.66**
Total equity and liabilities		**2,324.01**	**3,556.51**
Significant accounting policies	3		

The accompanying notes form an integral part of financial statements

As per our report of even date attached
for **B H & CO**
Chartered Accountants
ICAI Firm Registration No.013397S

Bharath Kumar P
Partner
Membership No. 222579
UDIN : 21222579AAAACI5727

for and on behalf of the Board of Directors of
Rajprotim Supply Chain Solutions Limited

E H Kasturi Rangan
Director
DIN 01814089

Mahesh K S
Chief Executive Ofiicer

Sanjaya Kumar Parida
Chief Financial Ofiicer

Muthukumar M
Company Seceretary

Place : Chennai
Date : 17-May-2021

Place : Chennai
Date : 17-May-2021

Rajprotim Supply Chain Solutions Limited

Statement of Profit and Loss for the Year ended 31 March 2021

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

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Revenue			
Revenue from operations	6	6,440.45	7,324.23
Other Income	7	120.72	27.11
Total Revenue		**6,561.17**	**7,351.34**
Expenses			
Employee benefit expense	8	371.89	430.12
Finance costs	9	368.60	498.88
Depreciation and amortisation expense	10	321.60	456.64
Other expenses	11	6,383.38	11,009.27
Total expenses		**7,445.47**	**12,394.91**
Profit before tax		**(884.30)**	**(5,043.57)**
Income tax			
Current tax	12	-	-
Deferred tax		-	59.80
Income tax expense		**-**	**59.80**
Profit for the year/ period		**(884.30)**	**(5,103.37)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability		13.13	(12.18)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		**13.13**	**(12.18)**
Other comprehensive income for the year, net of income tax		**13.13**	**(12.18)**
Total comprehensive income for the year/period		**(871.17)**	**(5,115.56)**
Earnings per share			
Basic and diluted earnings per share (in Indian Rupees)	20	(7.80)	(45.81)
Significant accounting policies	3		

The accompanying notes form an integral part of financial statements

As per our report of even date attached
for **B H & CO**
Chartered Accountants
ICAI Firm Registration No.013397S

Bharath Kumar P
Partner
Membership No. 222579
UDIN : 21222579AAAACI5727

Place : Chennai
Date : 17-May-2021

for and on behalf of the Board of Directors of
Rajprotim Supply Chain Solutions Limited

E H Kasturi Rangan
Director
DIN 01814089

Mahesh K S
Chief Executive Ofiicer

Sanjaya Kumar Parida
Chief Financial Ofiicer

Muthukumar M
Company Seceretary

Place : Chennai
Date : 17-May-2021

Rajprotim Supply Chain Solutions Limited

Statement of cash flow for the year ended 31 March 2021

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

	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit for the year	(884.30)	(5,043.57)
Adjustments for:		
Depreciation and amortisation	321.60	456.64
Provision for Bad and Doubtful debts	(115.84)	882.85
Provision for Advances	208.67	2,068.86
Gain on sale of investments	-	-
Finance costs	368.60	498.88
Remeasurements of the defined benefit liability	13.13	(12.18)
Interest income on security deposits at amortised cost	(18.45)	(22.49)
Prepayment cost of Security deposits	18.38	21.86
	(88.20)	**(1,149.16)**
Working capital adjustments:		
(Increase) decrease in trade receivables	626.58	333.67
(Increase) decrease in deposits and other receivables	222.98	(164.82)
Increase (decrease) in other current / non current assets	226.66	2,026.98
Increase (decrease) in trade payable and other financial liabilities	(174.66)	445.07
(Decrease)/ increase in provisions and other liabilities	(18.09)	(30.27)
Cash generated from operating activities	**795.26**	**1,461.47**
Income tax paid (net)	180.00	(320.09)
Net cash generated from / (used in) operating activities (A)	**975.26**	**1,141.38**
Cash flow from investing activities		
Acquisation of property, plant and equipment	(1.22)	(15.47)
Net cash generated from / (used in) investing activities (B)	**(1.22)**	**(15.47)**
Cash flow from financing activities		
Proceeds from short term borrowings from related parties	1,880.20	134.00
Lease payment	(189.78)	(274.60)
Interest paid	(330.54)	(470.40)
Net cash generated from / (used in) financing activities (C)	**1,359.88**	**(611.00)**
Net decrease in cash and cash equivalents (A+B+C)	**2,333.92**	**514.91**
Cash and cash equivalents as at April 1,	(2,598.88)	(3,113.79)
Cash and cash equivalents as at March 31,	**(264.96)**	**(2,598.88)**

Significant accounting policies 3

The accompanying notes form an integral part of financial statements

As per our report of even date attached
for **B H & CO**
Chartered Accountants
ICAI Firm Registration No.013397S

Bharath Kumar P
Partner
Membership No. 222579

UDIN : 21222579AAAACI5727

Place : Chennai
Date : 17-May-2021

for and on behalf of the Board of Directors of
Rajprotim Supply Chain Solutions Limited

E H Kasturi Rangan
Director
DIN 01814089

Mahesh K S
Chief Executive Ofiicer

Sanjaya Kumar Parida
Chief Financial Ofiicer

Muthukumar M
Company Seceretary

Place : Chennai
Date : 17-May-2021

Rajprotim Supply Chain Solutions Limited

Statement of changes in equity for the year ended 31 March 2021

(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 1 April 2019	1,11,66,666	1,116.66
Shares issued during the period		
Balance as at 1 April 2020	1,11,66,666	1,116.66
Shares issued during the year		
Balance at 31 March 21	**1,11,66,666**	**1,116.66**

(b) Other equity

	Attributable to the owners of the company			
	Reserves and surplus		Other Comprehensive Income	Total
	Securities premium	Retained earnings	Remeasurement of the defined benefit liability	
Balance as at 31March 2017	**466.67**	**122.50**	**-**	**589.17**
Total comprehensive income				
Profit for the period	-	470.46	-	**470.46**
Total Comprehensive income for the period ended 31 March 2017	-	-	0.11	**0.11**
Total comprehensive income	**-**	**470.46**	**0.11**	**470.57**
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Shares issued during the period	416.67	-	-	**416.67**
Total transactions with owners	**416.67**	**-**		**416.67**
Balance at 31 March 2018	**883.34**	**592.96**	**0.11**	**1,476.41**
Balance at 1 April 2018	**883.34**	**592.96**	**0.11**	**1,476.41**
Total comprehensive income for the Year ending 30 Mar 2019				
Profit for the year	-	536.94	-	**536.94**
Other comprehensive income for the year (net of tax)	-	-	1.29	**1.29**
Total transactions with owners	**-**	**-**	**-**	**-**
Balance at 31 March 2019	**883.34**	**1,129.90**	**1.41**	**2,014.65**
Balance at 1 April 2019	**883.34**	**1,129.90**	**1.41**	**2,014.65**
Total comprehensive income for the Period ending 31 March 2020				
Profit for the year	-	(5,103.37)	-	**(5,103.37)**
Adjustment for Ind AS 116		(30.91)		**(30.91)**
Other comprehensive income for the year (net of tax)	-	-	(12.18)	**(12.18)**
Total comprehensive income	**-**	**(5,134.28)**	**(12.18)**	**(5,146.47)**
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Shares issued during the period		-	-	**-**
Total transactions with owners	**-**	**-**	**-**	**-**
Balance at 31 March 2020	**883.34**	**(4,004.38)**	**(10.77)**	**(3,131.82)**
Balance at 1 April 2020	**883.34**	**(4,004.38)**	**(10.77)**	**(3,131.82)**
Total comprehensive income for the Period ending				
Profit for the year	-	(884.30)	-	**(884.30)**
Other comprehensive income for the year (net of tax)	-	-	13.13	**13.13**
Total comprehensive income	**-**	**(884.30)**	**13.13**	**(871.17)**
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Shares issued during the period		-	-	**-**
Total transactions with owners	**-**	**-**	**-**	**-**
Balance at 31 March 2021	**883.34**	**(4,888.68)**	**2.36**	**(4,002.98)**

Significant accounting policies 3

The accompanying notes form an integral part of financial statements

As per our report of even date attached

for **B H & CO**

Chartered Accountants

ICAI Firm Registration No.013397S

Partner

Membership No. 222579

UDIN : 21222579AAAACI5727

for and on behalf of the Board of Directors of

Rajprotim Supply Chain Solutions Limited

E H Kasturi Rangan

Director

DIN 01814089

Mahesh K S

Chief Executive Ofiicer

Sanjaya Kumar Parida

Chief Financial Ofiicer

Muthukumar M

Company Seceretary

Place : Chennai

Date : 17-May-2021

Place : Chennai

Date : 17-May-2021

1 Background

Rajprotim Supply Chain Solutions Limited ('Rajprotim' / ' Company') was incorporated on 25 July 2016. The Company (CIN:U63090WB2016PLC216763) is a wholly owned 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.

These financial statements were authorised for issue by the Company's Board of Directors on 17 May 2021.

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

2.1a The Company has incurred a net loss of Rs. 871.16 Lakhs for the year ending 31st March 2021 and have accumulated losses of Rs. 4886.31 Lakhs as at the year ended, which have fully eroded the net worth of the Company raising significant doubts about the ability of the Company to continue as going concern. However, based on the current business plans and commitment from the ProConnect Supply Chain Solutions Limited (the holding Company) to provide financial and other assistance to enable the Company to repay its debts as and when they fall due and to continue to operate as a going concern for the foreseeable future at least for a period of twelve months from the end of financial year, the Company believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying value of assets/liabilities. Accordingly, the financial statements have been prepared on a going concern basis. Further, Company in its board meeting held on 1st February 2021, have proposed to merge the Company with the holding Company under the Section 230 to 240 and other applicable provisions of Companies Act, 2013 and are subject to the requisite approval(s) if any, from the Creditors of the Company/ Regional director/ National Company Law Tribunal (NCLT) and other regulatory as may be applicable.

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	Measurement basis
- Certain financial assets and liabilities	Amortised cost
- Defined benefit liability	Present value of defined benefit obligations

All assets and liabilities have been classified as curent and non- current as per the Company's normal operating cycle

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.

Impact of COVID - 19 pandemic

In March 2020, the World Health Organization declared COVID 19 to be a Pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business contiunity with minimal disruption.

The Company has considered the internal and external information while finalizing various estimates in relation to its financial statements captions upto the date of its approval of financial statements by Board of Directors. The actual impact of global health pandemic may be different from which has been estimated, as the COVID-19 situation in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

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 - Lease accounting under IND AS 116

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 2021 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 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 measured at FVTPL.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 year and comparative 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:

- 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.

3 Significant accounting policies (contd.)

3.5 Impairment (contd.)

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 experien 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).

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 determi 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 to reduce the carrying amounts of the 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. 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 periods. 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;

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 simultaneously.

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.

4 Recent accounting pronouncement
Recent Indian Accounting Standards (Ind AS)

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

5 Operating segments

The Company is engaged in only one business namely providing supply chain manaement ('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 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 which it earns revenues.

A. Major Customers

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

	Year ended 31 March 2021	Year ended 31 March 2020
Customer A	506.31	747.81
Customer B	506.29	501.99
Total	**1,012.60**	**1,249.81**

6 Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of services		
Income from supply chain management services	6,440.45	7,323.16
Other operating revenue		
Scrap Sales	-	1.07
	6,440.45	**7,324.23**

7 Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on		
Security deposits at amortised cost	41.01	22.49
Miscellaneous income	79.71	4.62
	120.72	**27.11**

8 Employee benefit expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	318.32	338.39
Contribution to provident funds	14.43	18.46
Expenses related to post-employment defined benefit plans (refer note 25)	9.00	10.62
Expenses related to compensated absences	-	-
Staff welfare expenses	30.14	62.65
	371.89	**430.12**

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

9 Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest on cash credit / working capital loans	348.37	470.39
Interest cost on financial lease obligation	20.23	28.49
	368.60	**498.88**

10 Depreciation and amortisation expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment (refer note 13)	54.41	59.61
Amortisation of intangible assets (refer note 14)	100.43	158.70
Depreciation on Right of use Assets	166.76	238.33
	321.60	**456.64**

11 Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Freight, delivery and shipping charges	3,320.12	4,440.20
Rent	448.83	568.96
Outsourced manpower cost	1,675.24	2,032.61
Warehouse handling charges	205.99	239.27
Consumption of packing materials	0.34	2.88
Power and fuel	77.59	88.75
Rates and taxes	30.98	66.57
Insurance	8.97	0.11
Repairs and maintenance		
Buildings	0.64	10.80
Plant & Equipment	1.65	14.35
Others	64.70	93.67
Legal and professional charges (refer note (a) below)	32.75	54.75
Travel and Conveyance	128.66	77.13
Sales promotion expenses	-	-
Communication expenses	23.28	50.91
Security services	223.94	255.24
Printing and stationery	30.51	32.29
Net loss on foreign currency transactions	-	-
Net loss on sale of property, plant and equipment	2.80	-
Bad debt written off	227.86	-
Provision for Trade Receivable	(343.70)	882.85
Provision for Trade Advance	208.67	2,068.86
Bank charges	1.06	4.18
Expenditure on Corporate social responsibility (refer note (b))	-	11.05
Miscellaneous expenses	12.50	13.84
	6,383.38	**11,009.27**

a. Payment to auditors

	Year ended 31 March 2021	Year ended 31 March 2020
Statutory audit	4.20	3.50
Tax audit	0.60	0.50
Other services	3.00	3.00
Reimbursement of expenses	0.25	0.65
	8.05	**7.65**

b. Details of corporate social responsibility expenduture

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

	Year ended 31 March 2021	Year ended 31 March 2020
Amount required to be spent by the Company during the year	-	11.05
Amount spent during the year (in cash) :		
(i) Construction/ acquisition of any asset		
(ii) On purposes other than (i) above	-	11.05
	-	**11.05**

12 Income tax

A. Amount recognised in the profit and loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current tax		
Current period	-	-
Current tax for earlier period		
Total current tax expense	**-**	**-**
Deferred tax		
Origination and reversal of temporary difference	-	59.80
Total deferred tax expense / (benefit)	**-**	**59.80**
	-	**59.80**

B. Income tax recognised in other comprehensive income

	Year ended 31 March 2021			Year ended 31 March 2020		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurement of defined benefit liability (asset)	13.13	-	13.13	(12.18)	-	(12.18)
	13.13	**-**	**13.13**	**(12.18)**	**-**	**(12.18)**

C. Reconciliation of effective tax rate

	Year ended 31 March 2021		Year ended 31 March 2020	
Profit before tax		**(884.30)**		**(5,043.57)**
Enacted tax rates in India	25.170%		25.170%	
Computed expected tax expense		(222.58)		(1,269.47)
Effect of exempt non-operating income	0.00%		0.00%	
Changes in estimates related to prior years	0.00%		0.00%	-
Effect of non-deductible expenses	-13.07%	115.57	-17.47%	881.34
Effect of business loss	-20.17%	178.32	-9.66%	487.42
Effect of Depreciation	-2.14%	18.91	-0.49%	24.62
Effect of Others	10.20%	(90.22)	1.27%	(64.11)
Income tax expense	**(0.00)**	**0.00**	**(0.01)**	**59.80**

Rajprotim Supply Chain Solutions Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

12 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)	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Property, plant and equipment	-	-	-	-	-	-
Intangible Assets				-	-	-
Provision - employee benefits	-	-	-	-	-	-
Provision - others	-	-	-	-		-
				-	-	-
Net deferred tax (assets) liabilities	**-**	**-**	**-**	**-**	**-**	**-**

Movement in temporary differences:

	Balance as at 1 April 2019	Recognized in profit or loss during 2019-20	Recognized in OCI during 2019-20	Balance as at 31 March 2020	Recognized in profit or loss during 2020-21	Recognized in OCI during 2020-21	Balance as at 31 March 2021
Property, plant and equipment	9.50	(9.50)		-	-		-
Intangible Assets	(6.80)	6.80		-	-		-
Provision - employee benefits	13.30	(13.30)		-	-		-
Provision - others	43.80	(43.80)		-	-		-
	-			-	-		-
	59.80	**(59.80)**	**-**	**-**	**-**	**-**	**-**

D. Unrecognised deferred tax assets
Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

	31 March 2021		31 March 2020	
Particulars	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	459.18	115.57	3,501.55	881.34
Tax losses	708.93	178.42	1,936.65	487.42
	1,168.10	**293.99**	**5,438.20**	**1,368.76**

E. Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire

	31 March 2021	Expiry date	31 March 2020	Expiry date
Expire	633.93	2022-2028	1,838.65	2021-2027
Never expire	75.00		98.00	
	708.93		**1,936.65**	

Rajprotim Supply Chain Solutions Limited
Notes to the financial statements for the year ended 31 March 2021
(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	Building	Total
Deemed cost						
Balance at 31 March 2017	23.50	12.38	16.54	14.84	-	67.26
Additions	7.48	36.07	30.85	17.25		91.65
Disposals					-	-
Balance at 31 March 2018	**30.98**	**48.45**	**47.39**	**32.09**	**-**	**158.91**
Additions	11.12	17.75	49.65	11.74	20.86	111.11
Disposals						-
Balance at 31 March 19	**42.10**	**66.20**	**97.04**	**43.83**	**20.86**	**270.02**
Additions	4.71	0.03	4.57	4.88	-	14.19
Disposals						-
Balance at 31 March 20	**46.81**	**66.23**	**101.61**	**48.71**	**20.86**	**284.21**
Additions	0.10	0.35	0.84	0.18		1.47
Disposals		(5.00)	(1.12)			(6.12)
Balance at 31 March 21	**46.91**	**61.58**	**101.32**	**48.89**	**20.86**	**279.56**
Accumulated depreciation						
Balance at 31 March 2017	1.28	1.19	1.43	2.71	-	6.61
Additions	5.86	11.73	11.33	9.39		38.31
Disposals	-	-	-	-	-	-
Balance at 31 March 2018	**7.14**	**12.92**	**12.76**	**12.10**	**-**	**44.92**
Additions	8.00	11.82	20.24	12.28	2.34	54.67
Disposals						-
Balance at 31 March 19	**15.14**	**24.74**	**33.00**	**24.38**	**2.34**	**99.59**
Additions	8.82	11.21	23.79	12.70	4.17	60.69
Disposals						-
Balance at 31 March 20	**23.96**	**35.95**	**56.79**	**37.08**	**6.51**	**160.29**
Additions	9.19	11.05	23.04	6.96	4.17	54.41
Disposals		(2.76)	(0.56)			(3.32)
Balance at 31 March 21	**33.15**	**44.24**	**79.27**	**44.03**	**10.68**	**211.37**
Capital work in progress as on 31 Mar 20						**1.28**
Capital work in progress as on 31 March 21						**-**
Carrying amount (net)						
As at 31 March 2017	22.22	11.19	15.11	12.13	-	60.65
As at 31 March 2018	23.84	35.53	34.63	19.99	-	113.99
As at 31 March 2019	26.96	41.46	64.04	19.45	18.52	170.43
As at 31 March 2020	22.85	30.28	44.82	11.63	14.35	123.93
As at 31 March 2021	13.75	17.35	22.05	4.86	10.18	68.19

14 Intangible assets

	Software	Customer contracts*	Total
Deemed cost			
Balance at 31 March 2017	**2.52**	**-**	2.52
Additions	2.50	500.00	502.50
Disposals			-
Balance at 31 March 2018	**5.02**	**500.00**	**505.02**
Additions	1.18		1.18
Disposals			-
Balance at 31 March 19	**6.20**	**500.00**	**506.20**
Additions			-
Disposals			-
Balance at 31 March 20	**6.20**	**500.00**	**506.20**
Additions			-
Disposals			-
Balance at 31 March 21	**6.20**	**500.00**	**506.20**
Accumulated amortisation			
Balance at 31 March 2017			-
Additions	0.46	20.44	20.90
Disposals	2.95	100.00	102.95
Balance at 31 March 2018	**3.41**	**120.44**	**123.85**
Additions	1.23	100.00	101.23
Disposals			-
Balance at 31 March 19	**4.64**	**220.44**	**225.08**
Additions	1.08	156.54	157.62
Disposals			-
Balance at 31 March 20	**5.72**	**376.98**	**382.70**
Additions	0.42	100.00	100.43
Disposals			-
Balance at 31 March 21	**6.14**	**476.98**	**483.13**
Carrying amount (net)			
As at 31 March 2017	2.52	-	2.52
As at 31 March 2018	1.61	379.56	381.17
As at 31 March 2019	1.56	279.56	281.12
As at 31 March 2020	0.48	123.02	123.50
As at 31 March 2021	0.06	23.02	23.07

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

15 Trade receivables

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good	1,537.05	2,391.49
Doubtful		
Less : Loss allowance	(539.15)	(882.85)
	997.90	**1,508.64**
Current	997.90	1,508.64
	997.90	**1,508.64**

Of the above, trade receivables from related parties are as below:

Total trade receivables from related parties	-	-
Less : Loss allowance	-	-
	-	-

The Company's exposure to credit and currency risks, loss allowances are disclosed in note 26

16 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Cash in hand	1.64	14.83
Balance with banks:		
- in current accounts	457.39	3.51
Cash and cash equivalents in balance sheet	459.03	18.34
Less: Bank overdrafts and cash credit facilities used for cash management purposes	723.99	2,617.22
Cash and cash equivalents in the statements of cash flows	**(264.96)**	**(2,598.88)**

17 Deposits and other receivables

	As at 31 March 2021	As at 31 March 2020
Non-current		
Security deposit	134.93	207.55
Less: Provision for security deposit	(28.63)	
	106.30	**207.55**
Current		
Security deposit	65.31	91.58
Unbilled revenue	306.56	401.94
	371.87	**493.52**

18 Other assets

	As at 31 March 2021	As at 31 March 2020
Non-current		
Capital advances	9.70	9.70
Less: Provision for capital advances	(9.70)	
Prepayments	10.17	19.46
	10.17	**29.16**
Current		
Prepayments	16.12	25.88
Balances with Statutory authorities	10.40	6.53
Others	2,261.98	2,502.09
Less: Provision for trade advances	(2,239.20)	(2,068.86)
	22.78	433.23
	49.30	**465.64**

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

19A Share Capital

	As at 31 March 2021	As at 31 March 2020
Authorised		
15,000,000 (31 March 2017: 10,000,000 and 25 July 2016 50,000) equity shares of Rs. 10 each	1,500.00	1,500.00
Issued, Subscribed and Paid-up		
11,166,666(31 March 2017:Issued 9,166,666 Subscribed 8,333,333 and 25 July 2016 50,000) equity shares of Rs. 10 each fully paid up	1,116.66	1,116.66

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

Particulars	31 March 2021		31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares				
At the commencement of the period	1,11,66,666	1,116.66	1,11,66,666	1,116.66
Share issued for cash				
At the end of the period	**1,11,66,666**	**1,116.66**	**1,11,66,666**	**1,116.66**

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 2018, the Company has not declared any dividend.

Shares held by holding / ultimate holding company and / or their subsidiaries / associates and particulars of shareholder holding more than 5% shares of a class of shares

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of Rs. 10/- each paid up held by Proconnect Supply Chain Solutions Ltd and its nominees	1,11,66,666	1,116.66	1,11,66,666	1,116.66
Total	**1,11,66,666**	**1,116.66**	**1,11,66,666.00**	**1,116.66**

19B Other equity

a. ***Securities premium***

	As at 31 March 2021	As at 31 March 2020
At the commencement of the period	**883.34**	**883.34**
Shares issued for cash		
At the end of the period	**883.34**	**883.34**

19C 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.

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

20 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

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

	Year ended 31 March 2021	Year ended 31 March 2020
Profit (loss) for the year, attributable to the equity holders	(871.17)	(5,115.56)

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

	Year ended 31 March 2021	Year ended 31 March 2020
Weighted average number of equity shares used as denominator in calculating basic earnings per share	111.67	111.67
Weighted average number of equity shares for the year	**111.67**	**111.67**

21 Borrowings

	As at 31 March 2021	As at 31 March 2020
Current borrowings		
Loans from banks		
Cash credit facilities	723.99	2,097.22
WCDL	-	520.00
Loans from related party (unsecured)	2,990.20	1,110.00
	3,714.19	**3,727.22**

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 2021	Carrying amount at 31 March 2020
Cash credit/ WCDL	INR	10.00%	2021-22	723.99	2,617.22
Loans from related party (unsecured)	INR	9.35%	2021-22	2,990.20	1,110.00
				3,714.19	**3,727.22**

B. Secured bank loans

The cash credit facility is secured by hypothecation of book debts of the company

Details of borrowings availed and repaid during the year

Particulars	Cash credit and overdraft from banks	Working capital demand loan	Related party loans	Finance lease obligations	Total
Balance at the beginning of the year					
- Borrowings	**2,097.22**	**520.00**	**1,110.00**	**-**	**3,727.22**
- Other financial liabilites	**-**	**-**	**7.58**	**336.84**	**344.42**
Changes from financing cash flows					
Loans availed during the year		375.00	2,001.20		**2,376.20**
Loans repaid during the year		(895.00)	(121.00)	(189.78)	**(1,205.78)**
Interest expense	161.47		186.90	20.23	**368.60**
Interest paid	(161.47)		(172.77)		**(334.24)**
Total changes from financing cash flows	**-**	**(520.00)**	**1,894.33**	**(169.55)**	**1,204.78**
Other changes					
Liability-related					
Change in bank overdraft					**-**
Change in cash credits	(1,373.23)				**(1,373.23)**
New finance leases					**-**
Total liability-related other changes	**(1,373.23)**	**-**	**-**	**-**	**(1,373.23)**
Balance at the end of the year					
-Borrowings	**723.99**	**-**	**2,990.20**		**3,714.19**
-Other financial liabilities	**-**	**-**	**21.71**	**167.28**	**188.99**

22 Trade payables

	As at 31 March 2021	As at 31 March 2020
Trade payables to related parties	3.97	8.43
Other trade payables	1,239.82	1,283.00
	1,243.79	**1,291.43**

All trades payables are 'current'

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 26. Also, refer note 30 on MSMED

23 Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Dues to employees	25.05	102.36
Purchase consideration payable (also refer note 29)		
Lease liabilities	115.77	169.68
Other payables	21.71	56.21
	162.53	**328.25**
Non current	-	-
Current	162.53	328.25
	162.53	**328.25**

The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in note 26

24 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Statutory dues	11.50	25.45
	11.50	**25.45**

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

25 Provisions

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Provision for employee benefit				
Liability for gratuity	26.59	30.39	0.36	0.70
Liability for compensated absences	-			
	26.59	**30.39**	**0.36**	**0.70**

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 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 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 2021	As at 31 March 2020
Balance at the beginning of the year	31.09	9.38
Benefits paid		
Current service cost	7.14	8.87
Interest cost	1.87	0.66
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions		
- changes in financial assumptions		
- experience adjustments	(13.13)	12.18
Balance at the end of the year	**26.96**	**31.09**

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

	As at 31 March 2021	As at 31 March 2020
Current service cost	7.14	8.87
Interest cost	1.87	0.66
	9.00	**9.53**

Remeasurements recognised in other comprehensive income

	As at 31 March 2021	As at 31 March 2020
Actuarial gain on defined benefit obligations	(13.13)	12.18
	(13.13)	**12.18**

25 **Provisions (contd.)**

D. Defined benefit obligation

i. Actuarial assumptions

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

	As at 31 March 2021	As at 31 March 2020
Discount rate	6.50%	7.00%
Future salary growth	10.00%	10.00%
Attrition rate	10.00%	5.00%

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 2021		As at 31 March 2020	
	Increase in %	Decrease in %	Increase in %	Decrease in %
Discount rate (1% movement)	-7.00%	8.00%	-10.00%	12.00%
Future salary growth (1% movement)	8.00%	-7.00%	11.00%	-10.00%
Attrition rate (1% movement)	-2.00%	2.00%	-3.00%	4.00%

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

(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

	Note	31 March 2021			31 March 2020		
		FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets not measured at fair value							
Trade receivables	15	-	-	997.90	-	-	1,508.64
Cash and cash equivalents	16	-	-	459.03	-	-	18.34
Unbilled Revenue	17	-	-	306.56	-	-	401.94
Deposits and other receivables	17	-	-	171.61	-	-	299.13
Other financial assets		-	-		-	-	
Total financial assets		**-**	**-**	**1,935.09**	**-**	**-**	**2,228.05**
Financial liabilities not measured at fair value							
Trade payables	22	-	-	1,243.79	-	-	1,291.43
Borrowings	21	-	-	3,714.19	-	-	3,727.22
Other financial liabilities	23	-	-	162.53	-	-	328.25
Total financial liabilities		**-**	**-**	**5,120.51**	**-**	**-**	**5,346.90**

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

B. Fair value hierarchy

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).

(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 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 33A), because

	31 March 2021			31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value						
Security deposits	-	-	171.61	-		299.13
	-	**-**	**171.61**	**-**		**299.13**

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

26 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.

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 2021	**As at 31 March 2020**
Trade receivables	997.90	1,508.64
Unbilled revenue	306.56	401.94
Total trade and other receivables	**1,304.46**	**1,910.58**
Cash and bank balances	459.03	18.34
Deposits and other receivables (excluding unbilled revenue)	171.61	299.13
Others		-
Total	**1,935.09**	**2,228.05**

Trade and other receivables

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.

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.

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

		As at 31 March 2021	As at 31 March 2020
Customer A		134.30	184.79
Customer B		117.37	164.40
	-	**251.67**	**349.19**

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

C. Financial risk management (Contd.)

ii. Credit risk (Contd.)

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

	As at 31 March 2021	As at 31 March 2020
Not due	738.92	515.84
Past due 1-30 days	164.29	516.92
Past due 30-90 days	47.15	171.01
Past due 90-180 days	40.57	146.47
Past due 180-270 days	6.65	58.49
Past due 271-365 days	0.32	99.91
Greater than 365 days		
Total	997.90	1508.64

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:

	31 March 2021	31 March 2020
Balances at 1 April	882.85	-
Provision for the year		
0-90 days	14.95	4.66
91-180 days	7.83	7.91
181-270 days	(78.86)	93.75
271-365 days	(4.09)	24.18
More than 365	(283.52)	752.34
Balance at 31 March	**539.15**	**882.85**

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 459.03 lakhs at 31 March 2021 (31 March 2020: INR 18.34 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.

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. The Company 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.

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
31 March 2021							
Non derivative financial liabilities							
Secured loans:							
- Cash credit facilities	3,714.19	3,714.19	3,714.19	-	-	-	-
Trade payables	1,243.79	1,243.79	1,243.79	-	-	-	-
Other financial liabilities	46.76	46.76	46.76			-	-
Lease liabilty	167.14	167.14	69.76	46.01	51.37		
	5,171.87	**5,171.87**	**5,074.50**	**46.01**	**51.37**	**-**	**-**

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

C. Financial risk management (contd.)

			Contractual cash flows				
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
31 March 2020							
Non derivative financial liabilities							
Secured loans:							
- Cash credit facilities	3,727.22	3,727.22	3,727.22	-	-	-	-
Trade payables	1,291.43	1,291.43	1,291.43	-	-	-	-
Other financial liabilities	158.70	158.70	158.70	-	-	-	-
Lease liabilty	336.69	336.69	91.56	77.99	167.14		
	5,514.04	**5,514.04**	**5,268.91**	**77.99**	**167.14**	**-**	**-**

iv. Liquidity risk (contd)

Impact of COVID-19 (Pandemic):

Financial instruments carried at fair value as at 31 March 2021 is INR Nil (31 March 2020: Nil) and financial instruments carried at amortised cost as at 31 March 2021 is INR 19.35 crores.

Financial assets of INR 19.35 crores as at 31 March 2021 carried at amortised cost is in the form of cash and cash equivalents, trade receivables, Deposits and other receivables and other financial assets where the Company has assessed the counterparty credit risk. Trade receivables of INR 9.98 crores as at 31 March 2021 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not just based on any mathematical model but an assessment considering the nature of business and the financial strength of the customers in respect of whom amounts are receivable. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in the credit terms and following up for collection etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables INR 3.07 crores as at 31 March 2021 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of INR 5.39 crores as at 31 March 2021 is considered adequate.

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.

Interest rate risk

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

Exposure to interest rate risk

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

Variable-rate instruments

	31 March 2021	31 March 2020
Financial liabilities- Secured loan	(723.99)	(2,097.22)
	(723.99)	**(2,097.22)**

Cash flow sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basic points in interest rates at the reporting date would have increased (decreased) equity and profit or loss.

27 Operating leases

A. Leases as lessee

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

i. Amounts recognised in profit or loss

	Year ended 31 March 2021	Year ended 31 March 2020
Lease Expenses	620.23	843.70
Total	620.23	843.70

28 i) Capital commitments

	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided	-	10.98

ii) Contingent liabilities:

Bank guarantees issued	78.00	261.50

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

29 Leases

Leases as lessee (Ind AS 116)

The leased assets of the Company include warehouse buildings taken on lease for providing warehousing and other 3PL services to the customers. The leases typically run for a period of 1 to 3 years, with an option to renew certain leases after that date. Previously, these leases were classified as operating leases under Ind AS 17. On transition to Ind AS 116, the Company recognized right-of-use of assets at its carrying amount as if the standard has been applied since the commencement of the lease. The summary of the movement of right-of-use assets for the year is given below:

Information about leases for which the Company is a leasee is presented below

i. Right of use assets

	As at 31 March 2021	As at 31 March 2020
Balance as at 01 April	313.71	552.04
Additions to right of use assets		-
Less: Depreciation charge for the year	166.77	238.33
Less: Terminated Contracts		-
Balance as at 31 March 2021	**146.94**	**313.71**

On transition to Ind AS 116, the Company recognized lease liabilities measured at the present value of remaining lease payments. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	As at 31 March 2021	As at 31 March 2020
Operating leases under Ind AS 116		
Less than one year	115.77	169.56
One to five years	51.37	167.14
More than 5 years		-
Total lease liabilities as at 31 March 2021	**167.14**	**336.70**

Amounts recognised in Profit and loss

	Leases under Ind AS 116	
	Year ended 31 March 2021	**Year ended 31 March 2020**
Interest on lease liabilities (Included as part of finance cost)	20.23	28.49
Expenses relating to short term leases		
Expenses relating to leases of low value assets excluding assets of short term leases		
Depreciation of right-of-use assets (Included as part of depreciation and amortization expenses)	166.77	238.33
Expenses relating to short-term leases (Included as part of rent under other expenses)	-	
	187.00	**266.82**

Amounts recognised in Cashflow statement

	Year ended 31 March 2021	Year ended 31 March 2020
Total cash outflow for leases liabities under Ind AS 116	189.78	274.60

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

30 A. Related parties

(i) Names of related parties and description of relationship

Nature of Relationship	Name of the Party
Ultimate Holding company	Redington (India) Ltd.
Holding company	ProConnect Supply Chain Solutions Ltd.
Key Managerial Personnel	E H Kasturi Rangan, Director
	Mr. Mahesh K S, Chief Executive Officer
	Mr. Sanjaya Kumar Parida, Chief Finance Officer
	Mr. Muthukumar M, Company Secretary
Entity Controlled by MD	Rajprotim Supply Chain Solutions Ltd
	ProConnect Supply Chain Solutions Ltd.

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 2021	For the year ended 31 March 2020
Short term employee benefits	49.54	3.04
Post-employment defined benefits	*	*
Compensated absences	*	*
Total	**49.54**	**3.04**

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (see Note 8).
* 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 payables	
	For the year ended 31 March 2021	For the year ended 31 March 2020	As at 31 March 2021	As at 31 March 2020
Issue Shares including Securities premium				
Holding Company			2,000.00	2,000.00
Managing Director				
Services Received				
Freight,Warehouse rent & Handling Charges etc				-
Rajprotim Agencies Private Ltd.	-	2,272.42	-	-
ProConnect Supply Chain Solutions Ltd.	18.99	-	-	-
Rental Expenses				
Rajprotim Agencies Private Ltd.	-	3.07	-	-
Other Expenses (including Reimbursements)				
Rajprotim Agencies Private Ltd.		18.45	-	-
ProConnect Supply Chain Solutions Ltd.	34.75	38.40	3.98	41.47
Interest Expenses				
ProConnect Supply Chain Solutions Ltd.	186.90	105.58	21.71	7.58
Borrowings				
ProConnect Supply Chain Solutions Ltd.			2,990	1,110

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

31 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 Company'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 2021	For the year ended 31 March 2020
(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;	-	1.08
(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.	-	-

32 Transfer pricing

The Company has entered into transactions with certain related parties during the period under audit. The management believes that all such transactions are in compliance with the provisions of Income-tax Act, 1961 and also confirms that it maintains documentation as prescribed, to prove that the transactions are at arm's length. Further, management also believes the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

33 Impact of COVID-19 (Pandemic)

Revenue recogntition:

While the Company believes strongly that it has a rich portfolio of services to partner with customers, the impact on future revenue streams could come from

— the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers
— prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
— customer due to cost pressure reduces the discretionary spending consequently impacting the margins on certain line of business

The Company has assessed the contracts with customers, the impact that they would have due to disruption of supply chain and drop in demand due to impact of the COVID-19 pandemic in customer business. The Company has also assessed the dependence of revenues from the impacted business verticals. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company has taken steps to ensure that revenue recognition reflect realizable values.

Leased Assets

The Company does not foresee any large-scale contraction in business which could result in significant down-sizing of its leased assets making its infrastructure redundant. The leases that the Company has entered with lessors towards properties used as warehouses are medium to long term in nature and no changes in terms of those leases are expected due to the COVID-19

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

for B H & CO
Chartered Accountants
ICAI Firm Registration No.013397S

Bharath Kumar P
Partner
Membership No. 222579
UDIN : 21222579AAAACI5727

Place : Chennai
Date : 17-May-2021

for and on behalf of the Board of Directors of
Rajprotim Supply Chain Solutions Limited

E H Kasturi Rangan
Director
DIN 01814089

Mahesh K S
Chief Executive Ofiicer

Sanjaya Kumar Parida
Chief Financial Ofiicer

Muthukumar M
Company Seceretary

Place: Chennai
Date : 17-May-2021