Redington International Mauritius Limited and its Subsidiaries - Mauritius

Report and consolidated financial statements for the year ended 31 March 2022

Redington International Mauritius Limited and its Subsidiaries - Mauritius

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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 2022, 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 2022, 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.

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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
20 May 2022
Dubai
United Arab Emirates

Consolidated statement of financial position
as at 31 March 2022

	Notes	2022 US$	2021 US$
ASSETS			
Non-current assets			
Property and equipment	6	**8,399,475**	8,505,237
Other intangible assets	7	**34,247,602**	30,302,285
Goodwill	8	**6,063,353**	349,559
Deferred tax asset	9(b)	**791,399**	730,127
Right-of-use assets	21	**14,953,740**	16,503,067
Total non-current assets		**64,455,569**	56,390,275
Current assets			
Inventories	10	**323,330,179**	230,785,787
Trade and other receivables	11	**598,329,164**	510,755,165
Other financial assets	12	**45,364,500**	73,695,900
Cash and cash equivalents	13	**268,767,314**	281,896,641
Due from related parties	20	**12,898,801**	22,423,742
Derivative financial assets		**2,043,541**	-
Property held for sale		**925,180**	1,080,951
Total current assets		**1,251,658,679**	1,120,638,186
Total Assets		**1,316,114,248**	1,177,028,461
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		**(23,402,521)**	(10,129,674)
Re-measurement of defined benefit obligation		**(1,803,450)**	(773,659)
Retained earnings	16	**354,107,508**	310,809,460
Equity attributable to equity holders of the Company		**438,823,946**	409,828,536
Non-controlling interests	1(k)	**42,583,992**	51,015,014
Total equity		**481,407,938**	460,843,550
Non-current liabilities			
Employees' end-of-service indemnity	17	**15,339,328**	12,699,215
Bank borrowings, non-current portion	18	**11,892,669**	-
Lease liabilities, non-current portion	21	**9,264,479**	11,364,615
Deferred tax liability	9(b)	**1,117,459**	376,176
Total non-current liabilities		**37,613,935**	24,440,006
Current liabilities			
Bank borrowings, current portion	18	**70,524,210**	53,712,427
Trade and other payables	19	**712,636,856**	625,229,533
Due to related parties	20	**58,774**	5,750
Lease liabilities, current portion	21	**3,984,847**	4,057,715
Income tax payable	9(a)	**9,887,688**	8,739,480
Total current liabilities		**797,092,375**	691,744,905
Total Liabilities		**834,706,310**	716,184,911
Total Equity and Liabilities		**1,316,114,248**	1,177,028,461

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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 2022

	Notes	2022 US$	2021 US$
Trading revenue		**4,181,602,734**	3,964,475,205
Service revenue		**88,244,078**	78,186,735
Other income - net		**7,461,931**	7,181,875
Total revenue		**4,277,308,743**	4,049,843,815
Changes in inventories of finished goods		**3,989,719,784**	3,815,054,783
Employee benefits		**83,714,674**	79,611,970
Finance costs		**13,562,598**	13,170,474
Depreciation and amortisation expenses	23	**10,715,587**	12,059,481
Impairment losses	24	**-**	851,100
Other expenses	22	**66,713,662**	50,369,275
Total expenses		**4,164,426,305**	3,971,117,083
Profit before tax		**112,882,438**	78,726,732
Income tax expense	9(c)	**(13,879,672)**	(15,823,278)
Profit for the year		**99,002,766**	62,903,454
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Transfer to cumulative translation adjustment reserve		**(26,408,587)**	(5,379,877)
Re-measurement of defined benefit obligation		**(1,029,791)**	(127,869)
Total comprehensive income for the year		**71,564,388**	57,395,708
Profit for the year attributable to:			
Equity holders of the Company		**94,298,048**	58,831,940
Non-controlling interests	1(k)	**4,704,718**	4,071,514
		99,002,766	62,903,454
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**79,995,410**	55,854,441
Non-controlling interests		**(8,431,022)**	1,541,267
		71,564,388	57,395,708

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

Consolidated statement of changes in equity
for the year ended 31 March 2022

	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 1 April 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(k)]	-	-	-	-	-	-	(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
Profit for the year	-	-	-	-	-	-	94,298,048	94,298,048	4,704,718	99,002,766
Re-measurement of defined benefit obligation (Note 17)	-	-	-	-	-	(1,029,791)	-	(1,029,791)	-	(1,029,791)
Cumulative translation adjustment reserve	-	-	-	-	(13,272,847)	-	-	(13,272,847)	(13,135,740)	(26,408,587)
Total comprehensive income for the year	-	-	-	-	(13,272,847)	(1,029,791)	94,298,048	79,995,410	(8,431,022)	71,564,388
Dividend declared to Parent Company (Note 30)	-	-	-	-	-	-	(51,000,000)	(51,000,000)	-	(51,000,000)
Balance as at 31 March 2022	**27,668,025**	**33,731,903**	**45,655,936**	**2,866,545**	**(23,402,521)**	**(1,803,450)**	**354,107,508**	**438,823,946**	**42,583,992**	**481,407,938**

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

Consolidated statement of cash flows for the year ended 31 March 2022

	2022 US$	2021 US$
Cash flows from operating activities		
Profit before taxation	**112,882,438**	78,726,732
Adjustments for:		
Finance costs	**13,562,598**	13,170,474
Depreciation of right-of-use assets	**5,162,424**	5,773,997
Allowance/(reversal of allowance) for slow-moving inventories	**4,066,370**	(3,265,803)
Current service cost on employees' end-of-service indemnity	**3,138,007**	1,930,861
Amortisation of other intangible assets	**2,958,763**	3,510,526
Depreciation of property and equipment	**2,594,400**	2,774,958
Provision for general risk	**2,500,000**	1,500,000
Expected credit losses	**3,593,912**	4,155,839
Loss on change in fair value of property held for sale	**155,771**	-
Loss on disposal of property and equipment	**13,061**	95,950
Write-off of intangible assets	**12,249**	34,853
Gain on increase in fair value of derivative financial assets	**(2,043,541)**	-
Interest income	**(3,814,611)**	(3,800,540)
Impairment losses	-	851,100
Operating cash flow before changes in operating assets and liabilities	**144,781,841**	105,458,947
Decrease/(increase) in other financial assets	**28,331,400**	(72,415,899)
Decrease/(increase) in due from related parties	**9,524,941**	(3,549,964)
Increase in trade and other receivables	**(46,216,730)**	(22,849,011)
(Increase)/decrease in inventories	**(82,547,859)**	67,930,403
Increase in trade and other payables	**38,752,964**	167,255,931
Increase in due to related parties	**53,024**	5,750
Cash generated from operations	**92,679,581**	241,836,157
Employees' end-of-service indemnity paid	**(1,903,828)**	(1,212,918)
Income tax paid	**(11,961,168)**	(11,747,765)
Net cash from operating activities	**78,814,585**	228,875,474
Cash flows from investing activities		
Purchase of property and equipment	**(2,521,960)**	(3,035,271)
Purchase of other intangible assets	**(879,834)**	(1,871,960)
Proceeds from disposal of property and equipment	**164,071**	963,801
Interest received	**3,814,611**	3,800,540
Net cash outflow from acquisition of a subsidiary	**(24,898,429)**	(43,354)
Net cash used in investing activities	**(24,321,541)**	(186,244)
Cash flows from financing activities		
Repayment of bank borrowings under trust receipts - net	-	(112,168,651)
Proceeds from bank loans - net	**25,803,590**	7,758,453
Proceeds from/(repayment of) bank overdraft - net	**2,395,977**	(1,649,018)
Dividends paid	**(52,026,671)**	(906,998)
Repayment of lease liability	**(4,100,367)**	(5,637,046)
Finance costs paid	**(13,377,194)**	(13,170,474)
Net cash used in financing activities	**(41,304,665)**	(125,773,734)
Net increase in cash and cash equivalents	**13,188,379**	102,915,496
Cash and cash equivalents at the beginning of the year	**281,896,641**	184,371,373
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	**(26,317,706)**	(5,390,228)
Cash and cash equivalents at the end of the year (Note 13)	**268,767,314**	281,896,641
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 2022

1. Status and operations

a) Redington International Mauritius Limited (the "Company") was incorporated in Mauritius with limited liability on 16 July 2008. During the year ended 31 March 2022, the Company changed its business category from Category 2 - Global Business License Company to Authorized 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 2022 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	100	100	Dubai, U.A.E.	Distribution of information technology products, providing hardware support and maintenance services.
Cadensworth United Arab Emirates (LLC)	100	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 2022 (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.
Redington South Africa Pty (formerly 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	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 2022 (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	100	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	100	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 [Note 1(j)]	100	100	Abidjan, Cote d’Ivoire	Distribution of information technology and telecommunication products.
Redington Saudi for Trading	100	100	Riyadh, Saudi Arabia	Wholesale of electronic household appliances, telecommunication products and cosmetics
Redington Bahrain WLL [Note 1(g and h)]	49	100	Manama, Bahrain	Distribution of information technology and telecommunication products

Notes to the consolidated financial statements
for the year ended 31 March 2022 (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*
Redington Gulf FZE Jordan [Note 1(g and h)]	49	100	Amman, Jordan	Distribution of information technology and telecommunication products
Redington South Africa Distribution (Pty) Ltd. (formerly Ensure Technical Services (Pty) Ltd.) [Note 1(i)]	100	100	KwaZulu-Natal, South Africa	Providing hardware support and maintenance services.
Ensure Middle East Trading LLC [Note 1(i)]	100	100	Dubai, U.A.E.	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 Ghana Limited [Note 1(i)]	100	100	Accra, Ghana	Providing hardware support and maintenance services.
Ensure Technical Services Morocco Limited (Sarl) [Note 1(I and j)]	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.

Notes to the consolidated financial statements for the year ended 31 March 2022 (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.
Brightstar Telekomünikasyon ve Dağıtım Ltd.Şti [Note 8(b)]	100	100	Istanbul, Turkey	Distribution of information technology and telecommunication products
MPX İletişim ve Servis Limited Şirketi [Note 8(b)]	100	100	Istanbul, Turkey	Distribution of information technology and telecommunication products

g) For the 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 partially-owned subsidiaries, Redington Bahrain WLL and Redington Gulf FZE Jordan, in Bahrain and Jordan, respectively with a share capital of US$ 132,661 and US$ 70,832, respectively.

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

1. Status and operations (continued)

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 2022.

j) During the year ended 31 March 2022, Ensure Technical Services Kenya Limited, Ensure Solutions Nigeria Limited, and Ensure Services Limited were liquidated. Subsequent to the year ended 31 March 2022, Redington Cote d'Ivoire SARL and Ensure Technical Services Morocco Limited were liquidated on 25 April 2022 and 18 May 2022, respectively.

Non-controlling interests in subsidiaries

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

Name of Subsidiary	*Country of incorporation*	*Proportion of ownership interests and voting rights held by non-controlling interest*		*Profit allocated to non-controlling interests*		*Accumulated non-controlling interests*	
		2022 %	2021 %	**2022 US$**	2021 US$	**2022 US$**	2021 US$
Arena Bilgisayar Sanayi ve Ticaret A.S. (Arena)	Istanbul, Turkey	**50.6**	50.6	**4,704,718**	4,071,514	**42,583,992**	51,015,014

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:

	2022 US$	2021 US$
Current assets	**272,061,746**	225,269,828
Non-current assets	**18,598,082**	5,958,403
Current liabilities	**216,062,110**	152,734,804
Non-current liabilities	**14,788,913**	3,527,309
Equity attributable to equity holders of Arena	**59,808,803**	74,966,118
Revenue	**720,302,814**	718,789,838
Profit for the year attributable to equity holders of Arena	**9,297,861**	8,046,470
Profit for the year attributable to non-controlling interest	**-**	-
	9,297,861	8,046,470
Total comprehensive (loss)/ income attributable to equity holders of Arena	**(16,793,170)**	3,045,982
Total comprehensive income attributable to non-controlling interest	**-**	-
Total comprehensive (loss)/income	**(16,793,170)**	3,045,982

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

1. Status and operations (continued)

Non-controlling interests in subsidiaries (continued)

	2022 **US$**	2021 US$
Net cash from operating activities	**36,655,397**	20,363,250
Net cash used in investing activities	**(25,318,051)**	(3,130,873)
Net cash used in from financing activities	**(741,770)**	(15,245,046)

2. Application of new and revised international financial reporting standards (IFRSs)

2.1 New and amended IFRS that are effective for the current year

2.1.1 Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that 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.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the IASB in May 2020) in advance of its effective date.

Impact on accounting for changes in lease payments applying the exemption

The Group has applied the practical expedient retrospectively to all rent concessions that meet the conditions in IFRS 16:46B, and has not restated prior period figures.

2.1.2 Impact of the initial application of other new and amended IFRS Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB 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 report in these consolidated financial statements:

- *Amendments to References to the Conceptual Framework in IFRS Standards*
- *Amendments to IFRS 3 Definition of a business*
- *Amendments to IAS 1 and IAS 8 Definition of material*

Notes to the consolidated financial statements
for the year ended 31 March 2022 (continued)

2. Application of new and revised international financial reporting standards (IFRSs) (continued)

2.1 New and amended IFRS that are effective for the current year (continued)

2.1.2 Impact of the initial application of other new and amended IFRS Standards that are effective for the current year (continued)

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***
IFRS 17 *Insurance Contracts*	1 January 2023
IFRS 10 and IAS 28 (amendments) *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Effective date deferred indefinitely. Early adoption is still permitted
Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to IFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to IAS 16 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to IAS 37 *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to IFRS Standards 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
Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies*	1 January 2023
Amendments to IAS 8 *Definition of Accounting Estimates*	1 January 2023
Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023

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 period of initial application.

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

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.

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.

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

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 assets 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.

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.

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

4. Significant accounting policies (continued)

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.

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 on 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.

Notes to the consolidated financial statements
for the year ended 31 March 2022 (continued)

4. Significant accounting policies (continued)

Intangible assets (continued)

Intangible assets acquired in a business combination (continued)

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.

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.

Notes to the consolidated financial statements
for the year ended 31 March 2022 (continued)

4. Significant accounting policies (continued)

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.

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 recognised 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.

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

4. Significant accounting policies (continued)

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.
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, except for revenue from renewal of service packs and revenue from professional services.

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

4. Significant accounting policies (continued)

Revenue recognition (continued)

Revenue from renewal of service packs

Revenue from renewal of service packs is recorded as net as there is no inventory risk. Any subsequent purchase or possession of the same service pack by the Group is considered transitory as it is definite that the inventory will ultimately be transferred and there is no meaningful period that the Group holds the inventory before it is transferred to the end user.

Revenue from professional services

Revenue from professional services is recorded as net as the main responsibility of the Group is to arrange for the services to be performed by the vendor.

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.

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.

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

4. Significant accounting policies (continued)

Taxation (continued)

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.

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.

**Notes to the consolidated financial statements
for the year ended 31 March 2022 (continued)**

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

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.

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.

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

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.

(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.

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(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.

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.

4. Significant accounting policies (continued)

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.

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.

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

4. Significant accounting policies (continued)

Leases (continued)

The Group as lessee (continued)

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.

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.

Notes to the consolidated financial statements for the year ended 31 March 2022 (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

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.

As at 31 March 2022, Redington Gulf FZE recorded nil (2021: USD 851,100) impairment losses for trade name under intangible assets.

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 7.57% in 2022 (2021: 6.81%) 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 2022 (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 31 March 2022 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 2022 - 2023.

Notes to the consolidated financial statements for the year ended 31 March 2022 (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 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
Recognised from acquisition of a subsidiary [Note 8(b)]	-	-	228,198	-	-	-	-	228,198
Additions/transfers	-	584,793	580,136	76,912	343,778	452,490	483,851	2,521,960
Disposals	-	(58,046)	(414,458)	(69,739)	-	(108,277)	(153,152)	(803,672)
At 31 March 2022	**6,767,484**	**4,084,171**	**13,812,544**	**1,210,253**	**1,634,980**	**8,896,812**	**4,366,554**	**40,772,798**
Accumulated depreciation								
At 1 April 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
Recognised from acquisition of a subsidiary [Note 8(b)]	-	-	84,388	-	-	-	-	84,388
Charge for the year	336,116	612,166	680,975	69,308	165,677	304,141	426,017	2,594,400
Eliminated on disposals	-	(65,884)	(203,562)	(139,370)	-	(76,983)	(140,741)	(626,540)
At 31 March 2022	**3,892,499**	**3,565,920**	**11,766,750**	**1,017,414**	**523,720**	**7,938,705**	**3,668,315**	**32,373,323**
Carrying amount								
At 31 March 2022	**2,874,985**	**518,251**	**2,045,794**	**192,839**	**1,111,260**	**958,107**	**698,239**	**8,399,475**
At 31 March 2021	3,211,101	537,786	2,213,719	115,604	933,159	841,052	652,816	8,505,237

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 2022 (continued)

7. Other intangible assets

a)	Trade name US$	Customer relationship US$	Software US$	Work-in-progress US$	Total US$
Cost					
At 1 April 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)	-
Write-off	-	-	(487,936)	-	(487,936)
At 31 March 2021	33,851,100	5,903,282	18,484,283	88,962	58,327,627
Recognised from acquisition of a subsidiary [Note 8(b)]	-	6,762,000	280,886	-	7,042,886
Additions during the year	-	-	879,834	-	879,834
Transfers from work-in-progress	-	-	15,091	(15,091)	-
Write-off	-	-	(2,508,920)	-	(2,508,920)
Exchange rate effect	-	(770,258)	-	-	(770,258)
At 31 March 2022	**33,851,100**	**11,895,024**	**17,151,174**	**73,871**	**62,971,169**
Accumulated amortisation and impairment loss					
At 1 April 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
Write- off	-	-	(453,083)	-	(453,083)
At 31 March 2021	8,215,428	5,448,135	14,361,779	-	28,025,342
Recognised from acquisition of a subsidiary [Note 8(b)]	-	-	236,133	-	236,133
Amortisation during the year (Note 23)	-	905,948	2,052,815	-	2,958,763
Write-off	-	-	(2,496,671)	-	(2,496,671)
At 31 March 2022	**8,215,428**	**6,354,083**	**14,154,056**	**-**	**28,723,567**
Carrying amounts					
At 31 March 2022	**25,635,672**	**5,540,941**	**2,997,118**	**73,871**	**34,247,602**
At 31 March 2021	25,635,672	455,147	4,122,504	88,962	30,302,285

**Notes to the consolidated financial statements
for the year ended 31 March 2022 (continued)**

7. Other intangible assets (continued)

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.

	2022	2021
	US$	US$
b)		
With finite useful life	**8,611,930**	4,666,613
With indefinite useful life	**25,635,672**	25,635,672
	34,247,602	30,302,285

8. Goodwill

	2022	2021
a)	**US$**	US$
Balance at the beginning of the year	**349,559**	349,559
Recognised through acquisition of a subsidiary [Note 8(b)]	**6,448,321**	-
Exchange rate effect	**(734,527)**	
Balance at 31 March	**6,063,353**	349,559

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

	2022	2021
	US$	US$
Redington Turkey Teknoloji A.Ş. (formerly known as Linkplus Bilgisayar Sistemleri Sanayi ve Ticaret A.S.) (Redington Turkey)	**349,559**	349,559
Brightstar Telekomünikasyon ve Dağıtım Ltd.Şti (Brightstar)	**5,713,794**	-

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 2.0% (2021: 2.0%) for Redington Turkey and 8.0% (2021: nil) for Brightstar is applied, and a weighted average cost of capital of 21.26% (2021: 17.58%) for Redington Turkey and 25.30% (2021: nil) for Brightstar per annum.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of cash generating units (CGUs) to which goodwill is allocated. The Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

8. Goodwill (continued)

b) On 1 December 2021, Arena Bilgisayar Sanayi ve Ticaret A.S. acquired 100% of Brightstar Telekomünikasyon ve Dağıtım Ltd.Şti (Brightstar). The fair value of the net assets acquired was as follows:

	US$
Assets	
Cash and cash equivalents	**1,236,816**
Trade and other receivables	**44,951,181**
Inventories	**14,062,903**
Property and equipment	**143,810**
Other intangible assets	**44,753**
Right-of-use assets	**201,055**
Deferred tax asset	**359,239**
Total assets	**60,999,757**
Liabilities	
Bank borrowings	**504,885**
Trade and other payables	**47,207,688**
Lease liabilities	**198,179**
Employees' end-of-service indemnity	**164,081**
Total liabilities	**48,074,833**
Net assets	**12,924,924**
Intangible assets arising from acquisition:	
Customer relationship	**6,762,000**
Total net identifiable assets acquired	**19,686,924**
Purchase consideration	**26,135,245**
Goodwill	**6,448,321**

The fair value of identifiable intangible assets arising from the acquisition of Brightstar was determined by an independent valuer.

	US$
Purchase consideration	**26,135,245**
Less: Cash and cash equivalents acquired	**1,236,816**
Net cash outflow on acquisition of a subsidiary	**24,898,429**

Notes to the consolidated financial statements
for the year ended 31 March 2022 (continued)

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:

	2022 **US$**	2021 US$
Balance at the beginning of the year	**8,739,480**	4,293,798
Charge for the year	**13,109,068**	16,193,447
Tax paid during the year	**(11,961,168)**	(11,747,765)
Balance at the end of the year	**9,887,688**	8,739,480

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

	2022 **US$**	2021 US$
Deferred tax asset		
Balance at the beginning of the year	**730,127**	620,948
Deferred tax (expense)/benefit for the year	**(297,967)**	98,828
Recognised through acquisition of a subsidiary [Note 8(b)]	**359,239**	-
Exchange rate effect	**-**	10,351
Balance at the end of the year	**791,399**	730,127
Deferred tax liability		
Balance at the beginning of the year	**(376,176)**	(647,517)
Deferred tax (expense)/benefit for the year	**(472,329)**	271,341
Exchange rate effect	**(268,954)**	-
Balance at the end of the year	**(1,117,459)**	(376,176)

c) Tax expense for the year is as follows:

	2022 **US$**	2021 US$
Current taxation	**13,109,376**	16,193,447
Deferred taxation	**770,296**	(370,169)
	13,879,672	15,823,278

Notes to the consolidated financial statements
for the year ended 31 March 2022 (continued)

10. Inventories

	2022 US$	2021 US$
Goods held for sale	**321,819,142**	218,264,514
Less: Allowance for slow-moving items	**(8,640,632)**	(4,574,262)
	313,178,510	213,690,252
Goods in transit	**10,151,669**	17,095,535
	323,330,179	230,785,787

Movement in allowance for slow-moving items:

	2022 US$	2021 US$
Opening balance	**4,574,262**	7,840,065
Allowance/(reversal of allowance) for slow-moving inventories	**4,066,370**	(3,265,803)
Closing balance	**8,640,632**	4,574,262

11. Trade and other receivables

	2022 US$	2021 US$
Trade receivables	**570,697,505**	482,041,729
Less: Expected credit losses	**(17,513,178)**	(15,722,790)
	553,184,327	466,318,939
Receivables from suppliers	**15,091,217**	17,879,115
Advances to suppliers	**6,795,858**	9,928,778
Prepayments	**7,763,026**	5,618,901
Deposits	**1,753,404**	1,530,651
Withholding tax receivable	**1,829,834**	1,333,848
Staff advances	**200,318**	534,466
Other receivables	**11,711,180**	7,610,467
	598,329,164	510,755,165

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 49 days (2021: 43 days).

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

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

11. Trade and other receivables (continued)

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 2022			
Current	**466,481,891**	**(383,166)**	**466,098,725**
Past due by:			
1 - 30 days	**54,209,126**	**(776,625)**	**53,432,501**
31 - 60 days	**17,373,071**	**(223,821)**	**17,149,250**
61 - 90 days	**5,621,134**	**(294,843)**	**5,326,291**
Over 90 days	**27,012,283**	**(15,834,723)**	**11,177,560**
	570,697,505	**(17,513,178)**	**553,184,327**
31 March 2021			
Current	409,172,265	(477,270)	408,694,995
Past due by:			
1 - 30 days	39,325,161	(39,971)	39,285,190
31 - 60 days	12,648,844	(5,697)	12,643,147
61 - 90 days	2,755,750	(143,677)	2,612,073
Over 90 days	18,139,709	(15,056,175)	3,083,534
	482,041,729	(15,722,790)	466,318,939

Movement in the expected credit losses:

	2022 US$	2021 US$
Balance at the beginning of the year	**15,722,790**	11,727,132
Impairment losses recognised during the year (Note 22)	**3,593,912**	4,155,839
Amount written-off as uncollectible	**(1,803,524)**	(160,181)
Balance at end of the year	**17,513,178**	15,722,790

12. Other financial assets

	2022 US$	2021 US$
Margin deposits	**1,278,002**	1,259,846
Short-term deposits	**44,086,498**	72,436,054
	45,364,500	73,695,900

Margin deposits are held by banks against labour guarantee issued.

Short-term deposits have maturity period of more than 3 months and carry an average interest rate of 0.65% per annum (2021: 0.6% per annum).

Notes to the consolidated financial statements
for the year ended 31 March 2022 (continued)

13. Cash and cash equivalents

	2022 US$	2021 US$
Cash on hand	**172,646**	302,561
Bank balances:		
- Current accounts	**157,246,834**	85,258,893
- Short-term deposits	**111,347,834**	196,335,187
	268,767,314	281,896,641

Short-term deposits have maturity period of 3 months or less and carry an average interest rate of 0.82% per annum (2021: 1.45% 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$ 357,233 (2021: US$ 331,843) 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.

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:

	2022 US$	2021 US$
Balance at beginning of the year	**12,699,215**	11,637,253
Service cost	**3,138,007**	1,930,861
Net interest cost	**212,062**	216,150
Actuarial loss on obligation	**1,029,791**	127,869
Recognised from acquisition of a subsidiary [Note 8(b)]	**164,081**	-
Benefits paid	**(1,903,828)**	(1,212,918)
Balance at end of the year	**15,339,328**	12,699,215

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

17. Employees' end-of-service indemnity (continued)

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

	2022	2021
	US$	US$
Service cost	**3,138,007**	1,930,861
Net interest cost	**212,062**	216,150
	3,350,069	2,147,011

Principal assumptions used for purposes of the actuarial valuation:

	2022	2021
Discount rate	**3.30%**	1.85%
Salary escalation rate	**7.00%**	7.00%
Mortality rate	**Per AM (80) table**	Per AM (80) table
Withdrawal rate	**17.00%**	18.00%

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)	
	2022	2021
	US$	US$
Increase of 1% in assumptions		
Discount rate	**(642,422)**	(538,320)
Salary escalation rate	**765,791**	65,919
Decrease of 1% in assumptions		
Discount rate	**733,744**	615,255
Salary escalation rate	**(682,701)**	(90,889)

18. Bank borrowings

	2022	2021
	US$	US$
Bank loans	**80,020,902**	53,712,427
Overdraft	**2,395,977**	-
	82,416,879	53,712,427
Current	**70,524,210**	53,712,427
Non-current	**11,892,669**	-
	82,416,879	53,712,427

a) Bank loans are repayable within two years and are at floating rates of interest. For the year ended 31 March 2022, the average interest rate is at 9.04% per annum (2021: 5.41% per annum).

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

18. Bank borrowings (continued)

b) 100% shares of Brightstar Telekomünikasyon ve Dağıtım Ltd.Şti are pledged to bank loans amounting to US$ 26 million.

c) Movement in bank borrowings is as follows:

	Trust receipts US$	Bank loans US$	Overdraft US$	Total US$
Balance as at 1 April 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
New loans availed	74,474,988	813,827,827	25,323,852	913,626,667
Recognised from acquisition of a subsidiary [Note 8(b)]	-	504,885	-	504,885
Repayments made	(74,474,988)	(788,024,237)	(22,927,875)	(885,427,100)
Balance as at 31 March 2022	**-**	**80,020,902**	**2,395,977**	**82,416,879**

19. Trade and other payables

	2022 US$	2021 US$
Trade payables	**619,756,400**	526,041,511
Accrued expenses and other payables	**67,001,151**	67,552,946
Advances from customers	**25,879,305**	31,635,076
	712,636,856	625,229,533

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.

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

	2022 US$	2021 US$
Due from related parties		
Entities under common control/ownership	**12,898,801**	22,423,742
Due to related parties		
Parent Company	**39,508**	-
Entity under common control/ownership	**19,266**	5,750
	58,774	5,750

Notes to the consolidated financial statements
for the year ended 31 March 2022 (continued)

20. Related party balances and transactions (continued)

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:

	2022	2021
	US$	US$
Parent Company		
Dividend paid	**51,000,000**	-
Reimbursement of expenses	**222,383**	-
Entities under common ownership/control		
Sales	**31,230,886**	26,465,224
Service fee paid	**50,000**	50,000
Service fee received	**2,550,566**	2,342,517
Corporate guarantee charges (a)	**639,146**	607,842
Purchases	**528,024**	653,704
Write-off of related party receivables	**-**	573,233
Reimbursement of expenses	**161,366**	-
Entity with significant influence		
Audit fee reimbursement	**299,608**	328,765

(a) These are lieu of the corporate guarantee provided by Redington Gulf FZE to the banks amounting to US$ 30.40 million in respect of banking facilities granted to Redington Qatar Distribution WLL.

Compensation of key management personnel

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

	2022	2021
	US$	US$
Salaries and benefits	**5,463,929**	3,939,301
Long-term benefits	**100,607**	77,025
Management services company fee	**2,500**	2,500
	5,567,036	4,018,826

Notes to the consolidated financial statements
for the year ended 31 March 2022 (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

	2022 US$	2021 US$
1 April	**16,503,067**	18,733,999
Depreciation expense (Note 23)	**(5,162,424)**	(5,773,997)
Additions for the year	**4,013,144**	4,586,861
Recognised from acquisition of a subsidiary [Note 8(b)]	**201,055**	-
Deletions for the year	**(558,428)**	(1,043,796)
Currency translation differences	**(42,674)**	-
31 March	**14,953,740**	16,503,067

Lease liabilities

	2022 US$	2021 US$
1 April	**15,422,330**	17,516,311
Additions for the year	**5,041,134**	4,399,619
Interest expense	**887,316**	1,212,299
Recognised from acquisition of a subsidiary [Note 8(b)]	**198,179**	-
Payments	**(5,881,504)**	(6,183,904)
Deletions for the year	**(692,597)**	(1,521,995)
Currency translation differences	**(1,725,532)**	-
31 March	**13,249,326**	15,422,330

	2022 US$	2021 US$
Current	**3,984,847**	4,057,715
Non- current	**9,264,479**	11,364,615
	13,249,326	15,422,330

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 2022 (continued)

22. Other expenses

	2022	2021
	US$	US$
Sales promotion	**18,302,908**	9,757,353
Software expenses	**8,046,746**	6,277,129
Bank charges	**5,522,959**	5,546,085
Insurance	**4,741,836**	4,221,584
Freight outwards	**4,690,128**	3,346,175
Allowance/(reversal of allowance) for slow-moving inventories (Note 10)	**4,066,370**	(3,265,803)
Consultancy expenses	**3,036,201**	2,977,305
Traveling	**1,903,054**	1,118,094
Expected credit losses (Note 11)	**3,593,912**	4,155,839
Legal and professional charges	**1,741,969**	1,788,328
Repairs and maintenance	**1,666,273**	1,246,863
Warehousing charges	**1,407,307**	1,363,749
Communication expenses	**1,354,232**	1,603,471
Rent	**664,590**	864,353
Advertisement	**324,844**	305,177
Others	**5,650,333**	9,063,573
	66,713,662	50,369,275

23. Depreciation and amortisation expenses

	2022	2021
	US$	US$
Depreciation of right-of-use assets (Note 21)	**5,162,424**	5,773,997
Amortisation of intangible assets (Note 7)	**2,958,763**	3,510,526
Depreciation of property and equipment (Note 6)	**2,594,400**	2,774,958
	10,715,587	12,059,481

24. Impairment losses

The Group performed its annual impairment assessment of its intangible assets with indefinite useful lives. 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.

	2022	2021
	US$	US$
Other intangible assets - Trade name (Note 7)	**-**	851,100
	-	851,100

Notes to the consolidated financial statements
for the year ended 31 March 2022 (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 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:

	2022	2021
Balance at the beginning of the year	**2,035,750**	2,095,000
Less: SAR lapsed	**65,000**	30,000
Less: SAR exercised	**1,849,250**	29,250
Balance at end of the year	**121,500**	2,035,750

Notes to the consolidated financial statements
for the year ended 31 March 2022 (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

	2022	2021
	US$	US$
Financial assets		
Financial assets at amortised cost	**883,593,010**	847,115,958
Derivative financial assets at fair value	**2,043,541**	-
	885,636,551	847,115,958
Financial liabilities		
Financial liabilities at amortised cost	**686,783,754**	644,663,752

(c) Fair value

The Group has valued its derivative financial instruments based on the valuation techniques. All other financial assets and financial liabilities at the end of the reporting period approximate their fair values.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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 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).

	Level 1	**Level 2**	**Level 3**	**Total**
	US$	**US$**	**US$**	**US$**
2022				
Financial assets measured at fair value				
Foreign currency forward contracts	**-**	**2,043,541**	**-**	**2,043,541**
2021				
Financial assets measured at fair value				
Foreign currency forward contracts	-	-	-	-

Notes to the consolidated financial statements
for the year ended 31 March 2022 (continued)

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.

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**	
	2022	2021	**2022**	2021
	US$	US$	**US$**	US$
Turkish Lira	**144,865,172**	66,428,031	**133,975,408**	61,662,781
Kuwaiti Dinar	**13,478,119**	10,108,424	**147,257**	496,879
Egyptian Pound	**47,945,575**	21,022,094	**3,030,689**	5,711,440
Moroccan Dirham	**517,015**	466,480	**329,534**	366,389
Nigerian Naira	**610,300**	2,560,773	**12,830**	133,220
West African CFA Franc	**6,393,323**	3,633,873	**49,882**	176,730
Kenyan Shilling	**5,461,716**	3,237,445	**1,311,562**	1,065,013
Uganda Shilling	**857,809**	1,173,251	**10,348**	10,464
Tanzanian Shillings	**576,226**	447,735	**25,657**	20,066
Euro	**4,162,138**	7,756,052	**2,201,145**	4,615,512
Indian Rupees	**833,820**	1,046,998	**516,425**	541,471
Ghanaian Cedi	**162,481**	166,815	**39,738**	13,366
South African Rand	**615,510**	774,563	**139,281**	222,302
Rwandan Franc	**658,997**	611,249	**4,838**	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, except for Turkish Lira in which 40% sensitivity rate is applied. 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.

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

27. Financial risk management (continued)

(b) Foreign currency sensitivity analysis (continued)

	2022	2021
	US$	US$
Profit/(loss)		
Turkish Lira	**(4,355,906)**	(1,906,100)
Kuwaiti Dinar	**(1,333,086)**	(961,155)
Egyptian Pound	**(4,491,489)**	(1,531,065)
Moroccan Dirham	**(18,748)**	(10,009)
Nigerian Naira	**(59,747)**	(242,755)
West African CFA Franc	**(634,344)**	(345,714)
Kenyan Shilling	**(415,015)**	(217,243)
Uganda Shilling	**(84,746)**	(116,279)
Tanzanian Shillings	**(55,057)**	(42,767)
Euro	**(196,099)**	(314,054)
Indian Rupees	**(31,740)**	(50,553)
Ghanaian Cedi	**(12,274)**	(15,345)
South African Rand	**(47,623)**	(55,226)
Rwandan Franc	**(65,416)**	(60,477)

(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 2022 would decrease/increase by US$ 412,084 (2021: US$ 268,562). 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.

Notes to the consolidated financial statements
for the year ended 31 March 2022 (continued)

27. Financial risk management (continued)

(d) Credit risk management (continued)

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.

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$**	**Total US$**
2022					
Financial liabilities					
Interest-bearing instruments	**9.04%**	**70,524,210**	**11,892,669**	**-**	**82,416,879**
Non-interest bearing instruments	**-**	**601,866,875**	**-**	**-**	**601,866,875**
		672,391,085	**11,892,669**	**-**	**684,283,754**

Notes to the consolidated financial statements
for the year ended 31 March 2022 (continued)

27. Financial risk management (continued)

(e) Liquidity risk management (continued)

	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

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 18, 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:

	2022 US$	2021 US$
Debt	**82,416,879**	53,712,427
Cash and cash equivalents and other financial assets	**(316,175,355)**	(355,592,541)
Net debt	**(233,758,476)**	(301,880,114)
Equity	**481,407,938**	460,843,550
Net debt to equity ratio	N/A	N/A

Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

29. Contingencies

	2022	2021
	US$	US$
Letters of guarantee	**965,282**	6,635,130

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 in the 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.

30. Dividends

(a) During the year ended 31 March 2022, the Company declared dividends to its shareholder amounting to US$ 51,000,000 at US$ 1.84 per share.

(b) During the year ended 31 March 2021, 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.

31. Subsequent event

The Group has subsidiaries with operations in Turkey. Based on the information currently available, Turkey is expected to be considered a hyperinflationary economy for the reporting periods ending on or after June 30, 2022. Consequently, the subsidiaries will be required to make necessary adjustments in their financial statements in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies.

32. Approval of consolidated financial statements

The consolidated financial statements for the year ended 31 March 2022 were approved and signed by the Directors on 20 May 2022.

Company Registration No. 200503995E

Redington Distribution Pte Ltd and its subsidiaries

Annual Financial Statements
31 March 2022

Redington Distribution Pte Ltd and its Subsidiaries

Index

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 2022.

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 2022 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:

Vishnampet Sethuraman Hariharan @ Kumar
Professor J. Ramachandran
Raj Shankar (Resigned on 19 May 2022)

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 (Resigned on 19 May 2022)	594,946	1,206,070

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.

V S Hariharan

Vishnampet Sethuraman Hariharan @ Kumar
Director

Ramachandran

Professor J. Ramachandran
Director

Singapore
19 May 2022

Company Registration No. 200503995E

Redington Distribution Pte Ltd and its subsidiaries

Annual Financial Statements
31 March 2022

Redington Distribution Pte Ltd and its Subsidiaries

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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 2022.

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 2022 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:

Vishnampet Sethuraman Hariharan @ Kumar
Professor J. Ramachandran
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	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 (Resigned on 19 May 2022)	594,946	1,206,070

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.

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Auditor

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

V S Hariharan

Vishnampet Sethuraman Hariharan @ Kumar
Director

Ramachandran

Professor J. Ramachandran
Director

Singapore
19 May 2022

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 2022, 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 1967 (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 2022 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.

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.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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.

- 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

Public Accountants and
Chartered Accountants
Singapore

20 May 2022

Redington Distribution Pte Ltd and its Subsidiaries

Statements of Comprehensive Income
For the financial year ended 31 March 2022

	Note	Group		Company	
		2022	**2021**	**2022**	**2021**
		US$	US$	US$	US$
Revenue					
Sales of goods	4	503,462,014	541,388,365	245,401,066	295,468,047
Other income					
Fee income	20	50,000	50,000	50,000	50,000
Interest income		228,886	144,798	58,527	72,248
Gain on fair value of foreign exchange forward contracts	5	–	277,192	–	–
Miscellaneous income		2,002,399	1,539,211	19,250	771,854
		505,743,299	543,399,566	245,528,843	296,362,149
Less: Cost and expenses					
Cost of goods sold		477,202,848	521,498,409	235,940,863	285,700,309
Reversal of write-down of trade receivables	12	(191,399)	(184,925)	(425,073)	(416,514)
Reversal of write-down of inventories	11	(1,584,501)	(2,137,990)	(1,659,867)	(1,877,900)
Depreciation of plant and equipment	7	68,392	91,843	3,165	2,977
Amortisation of intangible asset	8	3,077	3,364	–	–
Depreciation of right-of-use assets	9	502,506	431,834	172,339	145,903
Net exchange differences		1,996,856	(75,140)	(11,869)	(64,429)
Directors' remuneration	20	1,699,187	1,406,902	1,699,187	1,406,902
Staff costs					
- Salaries and bonuses		4,636,557	4,025,208	638,935	669,623
- CPF contributions		46,397	76,002	46,397	76,002
Finance costs		843,036	1,134,012	133,840	287,977
Impairment loss on investment in a subsidiary	10	–	–	72,723	333,195
Other operating expenses		5,682,023	5,334,282	1,414,832	1,727,748
		490,904,979	531,603,801	238,025,472	287,991,793
Profit before tax	5	14,838,320	11,795,765	7,503,371	8,370,356
Income tax expense	6	(3,841,409)	(2,460,082)	(3,063,614)	(2,011,725)
Profit for the year		10,996,911	9,335,683	4,439,757	6,358,631
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		(444,360)	(105,574)	–	–
Total comprehensive income for the year attributable to owner of the Company		10,552,551	9,230,109	4,439,757	6,358,631

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 2022

	Note	Group		Company	
		2022	**2021**	**2022**	**2021**
		US$	US$	US$	US$
Non-current assets					
Plant and equipment	7	235,340	255,513	15,503	10,906
Intangible assets	8	766	4,452	–	–
Right-of-use assets	9	1,668,667	1,777,704	560,431	416,942
Investment in subsidiaries	10	–	–	930,837	1,003,560
Deferred tax assets	19	138,356	163,065	–	–
		2,043,129	2,200,734	1,506,771	1,431,408
Current assets					
Inventories	11	10,710,369	21,084,885	4,580,315	12,287,998
Trade and other receivables	12	79,383,515	71,822,701	53,389,152	44,136,835
Derivative assets	13	–	11,011	–	–
Cash and cash equivalents	14	47,568,851	77,326,682	36,309,662	65,941,165
		137,662,735	170,245,279	94,279,129	122,365,998
Current liabilities					
Trade and other payables	15	70,604,999	104,331,604	39,168,226	62,140,188
Contract liabilities	4	2,376,167	3,125,512	2,320,300	2,832,585
Lease liabilities	9	538,253	413,637	207,765	114,984
Income tax payable		3,701,049	2,388,353	2,910,611	2,026,203
		77,220,468	110,259,106	44,606,902	67,113,960
Net current assets		60,442,267	59,986,173	49,672,227	55,252,038
Non-current liabilities					
Other payables	15	171,297	204,920	–	–
Lease liabilities	9	1,188,095	1,408,534	373,394	317,599
		1,359,392	1,613,454	373,394	317,599
Net assets		61,126,004	60,573,453	50,805,604	56,365,847
Equity					
Share capital	16	4,000,000	4,000,000	4,000,000	4,000,000
Retained earnings		58,381,625	57,384,714	46,246,426	51,806,669
Other reserve	17	559,178	559,178	559,178	559,178
Merger reserve	18	(926,402)	(926,402)	–	–
Foreign currency translation reserve		(888,397)	(444,037)	–	–
		61,126,004	60,573,453	50,805,604	56,365,847

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 2022

	Attributable to owner of the Company					
	Share capital (Note 16) US$	**Retained earnings** US$	**Foreign currency translation reserve** US$	**Other reserve (Note 17)** US$	**Merger reserve (Note 18)** US$	**Total** US$
Group						
Balance at 1 April 2021	4,000,000	57,384,714	(444,037)	559,178	(926,402)	60,573,453
Profit for the year	–	10,996,911	–	–	–	10,996,911
Other comprehensive income				–	–	
Foreign currency translation	–	–	(444,360)	–	–	(444,360)
Total comprehensive income for the year	4,000,000	68,381,625	(888,397)	559,178	(926,402)	71,126,004
Distribution to owner						
Dividends paid (Note 25)	–	(10,000,000)	–	–	–	(10,000,000)
Balance at 31 March 2022	4,000,000	58,381,625	(888,397)	559,178	(926,402)	61,126,004

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

Statements of Changes in Equity
For the financial year ended 31 March 2022

	Attributable to owner of the Company					
	Share capital (Note 16) US$	**Retained earnings** US$	**Foreign currency translation reserve** US$	**Other reserve (Note 17)** US$	**Merger reserve (Note 18)** 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
Other comprehensive income						
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 2022

	Attributable to owner of the Company			
Company	**Share capital (Note 16)** US$	**Retained earnings** US$	**Other reserve (Note 17)** US$	**Total** US$
Balance at 1 April 2021	4,000,000	51,806,669	559,178	56,365,847
Profit for the year	–	4,439,757	–	4,439,757
Other comprehensive income			–	
Grant of equity-settled share options to employees	–	–	–	–
Return of equity-settled share options to the holding company	–	–	–	–
Balance at 31 March 2022	4,000,000	56,246,426	559,178	60,805,604
Distribution to owner				
Dividends paid (Note 25)	–	(10,000,000)	–	(10,000,000)
Balance at 31 March 2022	4,000,000	46,246,426	559,178	50,805,604
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
Other comprehensive income				
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

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 2022

	2022 US$	2021 US$
Cash flows from operating activities		
Profit before tax	14,838,320	11,795,765
Adjustments for:		
Depreciation of plant and equipment	68,392	91,843
Depreciation of right-of-use assets	502,506	431,834
Amortisation of intangible asset	3,077	3,364
Reversal of write-down of trade receivables	(191,399)	(184,925)
Reversal of write-down of inventories	(1,584,501)	(2,137,990)
Grant of equity-settled share options to employees	–	6,793
Return of equity-settled share options to the holding company	–	(26,499)
Gain on disposal of plant and equipment	(309)	(27)
Gain on fair value of foreign exchange forward contracts	–	(277,192)
Provision for retirement benefit obligations	(5,960)	15,962
Reversal of provision for warranty obligations	–	(3,318)
Interest expense	843,036	1,134,012
Interest income	(228,886)	(144,798)
Currency realignment	(467,509)	(112,651)
Operating profit before changes in working capital	13,776,767	10,592,173
Decrease in inventories	11,959,017	22,771,110
(Increase)/decrease in trade and other receivables	(7,358,404)	27,472,962
Decrease in trade and other payables	(34,465,395)	(16,819,983)
Cash (used in)/generated from operating activities	(16,088,015)	44,016,262
Income tax paid	(2,504,956)	(2,419,921)
Net cash (used in)/generated from operating activities	(18,592,971)	41,596,341
Cash flows from investing activities		
Purchase of plant and equipment and intangible assets	(77,985)	(76,633)
Proceeds from disposal of plant and equipment	30,579	30,929
Interest received	228,886	144,798
Net cash generated from investing activities	181,480	99,094
Cash flows from financing activities		
Dividends paid on ordinary shares	(10,000,000)	–
Interest expense	(780,014)	(1,018,716)
Repayment of principal portion of lease liabilities	(486,902)	(487,257)
Repayment of interest on lease liabilities	(79,424)	(115,296)
Repayment of trust receipts	–	(4,105,854)
Net cash used in financing activities	(11,346,340)	(5,727,123)
Net (decrease)/increase in cash and cash equivalents	(29,757,831)	35,968,312
Cash and cash equivalents at beginning of the financial year	77,326,682	41,358,370
Cash and cash equivalents at end of the financial year (Note 14)	47,568,851	77,326,682

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 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

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*
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

2.3 Standards issued but not yet effective (cont'd)

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.

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.

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

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

(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.

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.

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

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

(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.

2.5 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.

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

2.5 Foreign currency (cont'd)

(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

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.

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.

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

2.7 Intangible assets (cont'd)

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.

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. Summary of significant accounting policies (cont'd)

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.

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.

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

2.10 Financial instruments (cont'd)

(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.

2.11 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).

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

2.11 Impairment of financial assets (cont'd)

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.

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

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.

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. Summary of significant accounting policies (cont'd)

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.

(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.

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

2.16 Leases (cont'd)

(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.

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

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.

(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.

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

2.18 Taxes (cont'd)

(b) Deferred tax (cont'd)

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.

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

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 2022 are US$3,701,049 and US$2,910,611 (2021: US$2,388,353 and US$2,026,203) 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 2022 are US$73,491,926 and US$48,283,217 (2021: US$67,841,375 and US$40,639,820) respectively.

4. Sales of goods

(a) Disaggregation of revenue

Segments	**Group**	
	2022	**2021**
	US$	US$
Major product or service lines		
Sales of goods	503,462,014	541,388,365
Timing of transfer of goods		
At a point in time	503,462,014	541,388,365

Segments	**Company**	
	2022	**2021**
	US$	US$
Major product or service lines		
Sales of goods	245,401,066	295,468,047
Timing of transfer of goods		
At a point in time	245,401,066	295,468,047

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	
	2022	**2021**	**2022**	**2021**
	US$	US$	US$	US$
Receivables from contracts with customers	73,491,926	67,841,375	48,283,217	40,639,820
Contract liabilities	2,376,167	3,125,512	2,320,300	2,832,585

The Group and the Company have recognised reversal of impairment losses on receivables arising from contracts with customers amounting to US$191,399 and US$425,073 (2021: US$184,925 and US$416,514) 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:

	2022	**2021**
	US$	US$
Revenue recognised that was included in the contract liability balance at the beginning of the year	999,969	1,634,348

5. Profit before tax

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$	US$	US$	US$
Reversal of write-down of trade receivables (Note 12)	(191,399)	(184,925)	(425,073)	(416,514)
Reversal of write-down of inventories (Note 11)	(1,584,501)	(2,137,990)	(1,659,867)	(1,877,900)
Depreciation of plant and equipment (Note 7)	68,392	91,843	3,165	2,977
Amortisation of intangible asset (Note 8)	3,077	3,364	–	–
Depreciation of right-of-use assets (Note 9)	502,506	431,834	172,339	145,903
Bank charges	332,209	444,543	117,490	255,716
Impairment loss on investment in a subsidiary (Note 10)	–	–	72,723	333,195
Gain on fair value of foreign exchange forward contracts	–	(277,192)	–	–
Government grants	–	(189,004)	–	(189,004)

6. Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 March 2022 and 2021 are:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$	US$	US$	US$
Statements of Comprehensive Income:				
Current income tax: -				
- Current year	2,053,948	1,915,871	1,274,414	1,471,945
- Under provision in respect of previous years	(74,110)	(17,242)	(122,306)	(7,366)
- Withholding tax	829,568	547,146	829,568	547,146
- India tax provision	1,081,938	–	1,081,938	–
	3,891,344	2,445,775	3,063,614	2,011,725
Deferred income tax: -				
- Origination and reversal of temporary differences	24,709	19,145	–	–
- Currency adjustments	(74,644)	(4,838)	–	–
	(49,935)	14,307	–	–
	3,841,409	2,460,082	3,063,614	2,011,725

6. Income tax expense (cont'd)

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 2022 and 2021 is as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$	US$	US$	US$
Profit before tax	14,838,320	11,795,765	7,503,371	8,370,356
Tax at domestic rates	2,003,070	1,880,815	1,275,573	1,422,961
Adjustments:				
Non-deductible expenses	32,119	153,325	11,748	62,086
Income not subject to taxation	(58,834)	(7,576)	–	–
Under provision in respect of previous years	(74,110)	(17,242)	(122,306)	(7,366)
Effect of partial tax exemption and tax relief	(12,907)	(99,619)	(12,907)	(13,102)
Withholding tax	829,568	547,146	829,568	547,146
Deferred tax assets not recognised	–	3,002	–	–
Others	40,565	231	–	–
India tax provision	1,081,938	–	1,081,938	–
Income tax expense	3,841,409	2,460,082	3,063,614	2,011,725

7. Plant and equipment

Group	Computer US$	Furniture and equipment US$	Leasehold improvements US$	Motor vehicle US$	Total US$
Cost					
At 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 and 1 April 2021	410,813	355,903	60,336	34,133	861,185
Additions	34,184	43,801	–	–	77,985
Disposals	(30,353)	(25,968)	–	–	(56,321)
Exchange differences	(25,166)	(14,806)	905	–	(39,067)
At 31 March 2022	389,478	358,930	61,241	34,133	843,782
Accumulated depreciation					
At 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 and 1 April 2021	295,729	272,785	3,025	34,133	605,672
Depreciation charge for the financial year (Note 5)	37,637	27,719	3,036	–	68,392
Disposals	(106)	(25,945)		–	(26,051)
Exchange differences	(25,612)	(14,031)	72	–	(39,571)
At 31 March 2022	307,648	260,528	6,133	34,133	608,442
Net carrying amount:					
At 31 March 2022	81,830	98,402	55,108	–	235,340
At 31 March 2021	115,084	83,118	57,311	–	255,513

7. Plant and equipment (cont'd)

Company	Computer US$	Furniture and equipment US$	Total US$
Cost			
At 1 April 2020	114,591	23,284	137,875
Additions	2,012	–	2,012
At 31 March 2021 and 1 April 2021	116,603	23,284	139,887
Additions	3,870	3,892	7,762
At 31 March 2022	120,473	27,176	147,649
Accumulated depreciation			
At 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 and 1 April 2021	114,694	14,287	128,981
Depreciation charge for the financial year (Note 5)	1,292	1,873	3,165
At 31 March 2022	115,986	16,160	132,146
Net carrying amount:			
At 31 March 2022	4,487	11,016	15,503
At 31 March 2021	1,909	8,997	10,906

8. Intangible assets

Group	Computer software US$
Cost	
At 1 April 2020	33,829
Additions	623
Exchange differences	(1,829)
At 31 March 2021 and 1 April 2021	32,623
Exchange differences	(11,016)
At 31 March 2022	21,607
Accumulated amortisation	
At 1 April 2020	26,416
Amortisation charge for the financial year (Note 5)	3,364
Exchange differences	(1,609)
At 31 March 2021 and 1 April 2021	28,171
Amortisation charge for the financial year (Note 5)	3,077
Exchange differences	(10,407)
At 31 March 2022	20,841
Net carrying amount:	
At 31 March 2022	766
At 31 March 2021	4,452

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:

	2022			
Group	**Office premises** US$	**Warehouses** US$	**Showroom** US$	**Total** US$
At beginning of year	965,550	812,154	–	1,777,704
Additions	53,742	315,829	–	369,571
Modification of lease liability	(41,722)	–	–	(41,722)
Depreciation of right-of-use assets	(250,365)	(252,141)	–	(502,506)
Currency adjustments	54,973	10,647	–	65,620
At end of year	782,178	886,489	–	1,668,667

	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

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

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

	2022		
Company	**Office premises** US$	**Warehouses** US$	**Total** US$
At beginning of year	416,942	–	416,942
Additions	–	315,828	315,828
Depreciation of right-of-use assets	(102,076)	(70,263)	(172,339)
At end of year	314,866	245,565	560,431

	2021		
Company	**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

(b) Lease liabilities

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

	Group		Company	
	2022 US$	**2021** US$	**2022** US$	**2021** US$
At beginning of year	1,822,171	2,972,886	432,583	574,405
Additions	367,379	32,982	315,894	–
Modification of lease liability	–	(679,368)	–	–
Accretion of interest	79,424	115,296	36,108	19,777
Lease payments	(566,326)	(602,553)	(203,426)	(161,599)
Currency adjustments	23,700	(17,072)	–	–
At end of year	1,726,348	1,822,171	581,159	432,583

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

(b) Lease liabilities (cont'd)

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$	US$	US$	US$
Comprising:				
Current portion	538,253	413,637	207,765	114,984
Non-current portion	1,188,095	1,408,534	373,394	317,599
Total lease liabilities	1,726,348	1,822,171	581,159	432,583

In 2021, the Group renegotiated and modified existing lease contract for office premises and warehouses by reducing the scope of the lease. The lease modification was 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		Company	
	2022	**2021**	**2022**	**2021**
	US$	US$	US$	US$
Depreciation of right-of-use assets	502,506	431,834	172,339	145,903
Interest expense on leases liabilities	63,022	115,296	21,236	19,777
Total amount recognised in statement of comprehensive income	565,528	547,130	193,575	165,680

(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 2022 US$	Cost of investment 2021 US$	Proportion of ownership interest 2022 %	Proportion of ownership interest 2021 %
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)	139,090	211,813	49	49
		930,837	1,003,560		

* 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 had been recorded at book values and the difference between the consideration paid and net assets of the business acquired was 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$72,723 (2021: US$333,195) was recognised for the financial year ended 31 March 2022 to write down the investment cost to its recoverable amount. The recoverable amount of investment in Redington Qatar WLL was determined as US$139,090.

11. Inventories

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$	US$	US$	US$
Balance sheet:				
Finished goods (at cost or net realisable value)	10,710,369	21,084,885	4,580,315	12,287,998
Income statement:				
Inventories recognised as an expense in cost of sales	477,202,848	521,498,409	235,940,863	285,700,309
Inclusive of the following charge:				
- Reversal of write-down of inventories (Note 5)	(1,584,501)	(2,137,990)	(1,659,867)	(1,877,900)

12. Trade and other receivables

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$	US$	US$	US$
Trade and other receivables				
Trade receivables:				
- External	73,271,574	67,418,307	45,213,540	39,405,000
- Amount due from holding company	13,030	13,030	13,030	13,030
- Amount due from related company	207,322	410,038	12,556	–
- Amount due from subsidiaries	–	–	3,044,091	1,221,790
Total trade receivables	73,491,926	67,841,375	48,283,217	40,639,820

12. Trade and other receivables (cont'd)

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$	US$	US$	US$
Other receivables				
Deposits	170,583	188,385	62,741	76,356
Staff loan	8,095	18,146	–	11
GST receivables	1,422,351	1,265,059	1,422,351	1,265,059
Sundry receivables	4,076,380	2,296,218	3,537,193	2,022,054
Prepayments	214,180	213,518	83,650	133,535
Total trade and other receivables	79,383,515	71,822,701	53,389,152	44,136,835
Less: GST receivables	(1,422,351)	(1,265,059)	(1,422,351)	(1,265,059)
Prepayments	(214,180)	(213,518)	(83,650)	(133,535)
	77,746,984	70,344,124	51,883,151	42,738,241
Cash and cash equivalents (Note 14)	47,568,851	77,326,682	36,309,662	65,941,165
Total financial assets carried at amortised cost	125,315,835	147,670,806	88,192,813	108,679,406

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days terms (2021: 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	
	2022	**2021**	**2022**	**2021**
	US$	US$	US$	US$
Movement in allowance accounts:				
At 1 April	2,962,221	3,205,367	2,211,895	2,628,409
Reversal of written down of trade receivables (Note 5)	(191,399)	(184,925)	(425,073)	(416,514)
Exchange differences	(332,805)	(58,221)	–	–
At 31 March	2,438,017	2,962,221	1,786,822	2,211,895

13. Derivative assets

	Group		Company	
	2022 US$	**2021** US$	**2022** US$	**2021** US$
Forward currency contracts	–	11,011	–	–
Nominal amount	–	338,000	–	–

In 2021, forward currency contracts were used to hedge foreign currency risk arising from the Group's purchases denominated in USD.

14. Cash and cash equivalents

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

	Group		Company	
	2022 US$	**2021** US$	**2022** US$	**2021** US$
Fixed deposits	137,458	891,157	79,868	831,073
Cash and bank balances	47,431,393	76,435,525	36,229,794	65,110,092
	47,568,851	77,326,682	36,309,662	65,941,165

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

	Group		Company	
	2022 US$	**2021** US$	**2022** US$	**2021** US$
Singapore Dollar	1,086,146	1,125,352	1,086,146	1,125,352
Qatar Riyal	5,836,342	5,235,248	–	–
Bangladesh Taka	120,047	87,272	–	–
Sri Lanka Rupee	3,315,979	992,485	–	–

15. Trade and other payables

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$	US$	US$	US$
Non-current:				
Other payables	171,297	204,920	–	–
Current:				
Trade payables				
- External	53,442,170	77,278,817	37,196,030	59,159,406
- Amount due to a related company	13,055,300	22,760,211	627,873	659,811
Accrued operating expenses	2,990,457	4,007,638	1,344,323	2,320,971
Other payables	1,117,072	284,938	–	–
Total trade payables (current)	70,604,999	104,331,604	39,168,226	62,140,188
Total trade and other payables, representing total financial liabilities carried at amortised cost	70,776,296	104,536,524	39,168,226	62,140,188

Trade payables/other payables

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

16. Share capital

	Group and Company	
	2022	**2021**
	US$	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.

17. 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	
	2022	**2021**
	US$	US$
At 1 April	559,178	578,884
Charge during the financial year	–	6,793
Return of equity-settled share options to the holding company	–	(26,499)
At 31 March	559,178	559,178

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 2022 and 31 March 2021.

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 2022, 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. In 2021, the equity-settled share options were 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.

In 2021, the fair value of the shares granted, being US$6,793 was 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.

17. 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

	2022	**2021**
Market price (in US$)	–	2.7
Expected life (in years)	–	4.1
Volatility (%)	–	35.72
Risk-free rate (%)	–	7.02
Exercise price (in US$)	–	2.3
Dividend yield (%)	–	1.2
Fair value per vest (US$)	–	1.0

18. 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.

19. Deferred tax assets

Deferred tax as at 31 March relates to the following:

	Group	
	2022	**2021**
	US$	US$
Deferred tax assets:		
Provisions	138,356	163,065

20. 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	
	2022	**2021**	**2022**	**2021**
	US$	US$	US$	US$
Holding company: -				
- Service Fee	58,220	57,382	58,220	57,382
- Reimbursement of expenses	1,079	–	1,079	–
Related companies: -				
- Fee Income	50,000	50,000	50,000	50,000
- Sales	526,896	653,704	–	–
- Miscellaneous income	–	572,831	–	572,831
- Purchases	(30,919,715)	(26,203,858)	–	–
- Service Charges	(193,010)	(161,019)	(193,010)	(161,019)
- Miscellaneous expenses	(2,539,435)	(2,362,843)	–	–
- Reimbursement of expenses	(175,008)	–	–	–
- Finance Costs	(636,636)	(613,116)	–	–
Subsidiary companies: -				
- Sales	5,116,259	–	5,116,259	6,528,283
- Service charges	(536,538)	–	(536,538)	(548,925)

The above transactions are at rates agreed between the parties.

(b) *Compensation of key management personnel*

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$	US$	US$	US$
Short term employee benefit	1,692,254	1,400,000	1,692,254	1,400,000
Contributions to defined contribution schemes	6,933	6,902	6,933	6,902
	1,699,187	1,406,902	1,699,187	1,406,902
Comprise amount paid to:				
- Director of the Company	1,699,187	1,406,902	1,699,187	1,406,902

In 2022, the short term employee benefit includes differential performance bonus related to previous years amounting to US$281,006.

21. 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**	
	2022	**2021**	**2022**	**2021**
	US$	US$	US$	US$
Disputed Tax demands				
India Income Tax	25,248,977	26,376,220	25,248,977	26,376,220

Demand raised by India Income Tax Department for USD26,885,174 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 US$3,487,002 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 US$1,636,197 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 US$25,248,977 (US$26,885,174 ***Less:*** US$1,636,197).

22. 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.

22. 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

22. 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	
	2022	**2021**
	US$	US$
By country:		
India	29,520,282	27,529,887
Sri Lanka	2,117,478	4,946,211
Bangladesh	6,618,274	4,655,309
Qatar	27,779,808	24,820,653
Other countries	9,894,101	8,851,536
	75,929,943	70,803,596

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.

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

Liquidity risk (cont'd)

Group	**2022** **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)	77,746,984	–	77,746,984
Cash and cash equivalents (Note 14)	47,568,851	–	47,568,851
Total undiscounted financial assets	125,315,835	–	125,315,835
Financial liabilities:			
Trade and other payables (Note 15)	70,604,999	171,297	70,776,296
Lease liabilities	601,510	1,280,717	1,882,227
Total undiscounted financial liabilities	71,206,509	1,452,014	72,658,523
Total net undiscounted financial assets/ (liabilities)	54,109,326	(1,452,014)	52,657,312

Group	**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)	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

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

Liquidity risk (cont'd)

Company	One year or less	2022 Two to five years	Total
	US$	US$	US$
Financial assets:			
Trade and other receivables, excluding GST receivables and prepayments (Note 12)	51,883,151	–	51,883,151
Cash and cash equivalents (Note 14)	36,309,662	–	36,309,662
Total undiscounted financial assets	88,192,813	–	88,192,813
Financial liabilities:			
Trade and other payables (Note 15)	39,168,226	–	39,168,226
Lease liabilities	225,240	386,558	611,798
Total undiscounted financial liabilities	39,393,466	386,558	39,780,024
Total net undiscounted financial assets/ (liabilities)	48,799,347	(386,558)	48,412,789

Company	One year or less	2021 Two to five years	Total
	US$	US$	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

22. 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	
		2022	**2021**
		US$	US$
SGD/USD	- weakened 3% (2021: 3%)	13,356	14,046
	- strengthened 3% (2021: 3%)	(13,556)	(14,046)

23. 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.

23. 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$
2022				
Derivatives				
- Forward currency contracts	–	–	–	–
2021				
Derivatives				
- Forward currency contracts	–	11,011	–	11,011

(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.

24. 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 2022 and 31 March 2021.

25. Dividends on ordinary shares

	Group	
	2022	**2021**
	US$	US$
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2022: $2.63	10,000,000	–

26. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the director on 19 May 2022.

B S R & Co. LLP
Chartered Accountants

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

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Independent Auditor's Report

To the Members of ProConnect Supply Chain Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ProConnect Supply Chain Solutions Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date audited by the branch auditor of the Company's branch at Kolkata.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the branch auditor on financial information of such branch as was audited by branch auditor, the aforesaid 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 2022, and its 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 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 obtained by us along with the consideration of reports of the branch auditor referred to in paragraph (a) of the "Other Matters" section below is sufficient and appropriate to provide a basis for our opinion on the 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 auditor's 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 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 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 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 the 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 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 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 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 made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of branch of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such branch included in the financial statements, which have been audited by the branch auditor, such branch auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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.

Other Matter

We did not audit the financial information of one branch included in the financial statements of the Company whose financial information reflect total assets (before consolidation adjustments) of INR 16.85 crores as at 31 March 2022 and total revenue (before consolidation adjustments) of INR 65.92 crores for the year ended on that date, as considered in the financial statements. The financial information of the branch has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branch, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.

2. (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 and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.

   c) The reports on the accounts of the branch office of the Company audited under Section 143(8) of the Act by branch auditors has been sent to us and have been properly dealt with by us in preparing this report.

   d) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.

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

   f) On the basis of the written representations received from the directors as on 1 April 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   g) 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company does not have any pending litigations which would impact its financial position as at 31 March 2022.

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

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

Report on Other Legal and Regulatory Requirements

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in note 41(ii)(A) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii) The management has represented that, to the best of its knowledge and belief, as disclosed in note 41(ii)(B) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

iii) Based on audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11 (e) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) of the Act 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
Digitally signed by PRAVEEN KUMAR JAIN
Date: 2022.05.19 19:08:46 +05'30'

Praveen Kumar Jain
Partner
Membership No. 078893
ICAI UDIN: 22079893AJGQZI7762

Place: Chennai
Date: 19 May 2022

With reference to the Annexure A referred to in paragraph 1 of our report to the members of the Company on the financial statements for the year ended 31 March 2022, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment amounting to INR 1.69 crores (written down value as at 31 March 2022) only were verified during the year and accordingly, all the assets have not been covered over the rolling period of three years as at 31 March 2022. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering supply chain services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in companies, firms, limited liability partnership or any other parties. The Company has granted loans and advances in the nature of loans to a company during the year, in respect of which the requisite information is as below. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to firms, limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to an entity where the aggregate amount during the year was INR 12 crores and the balance outstanding as at balance sheet date was INR 12 crores. Such amount had already been provided for in an earlier year.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loan provided were, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the receipts have been regular except for the following:

Name of the entity	Principal amount in INR (crores)	Due Date	Extent of delay	Remarks, if any
Rajprotim Agencies Private Limited	5	8 July 2017	More than 4 years	Loan has been provided for
Rajprotim Agencies Private Limited	5	6 September 2018	More than 3 years	Loan has been provided for
Rajprotim Agencies Private Limited	2	29 March 2018	More than 3 years	Loan has been provided for

Name of the entity	Interest in INR (crores)	Due Date	Extent of delay	Remarks, if any
Rajprotim Agencies Private Limited	0.30	30 September 2018	More than 3 years	Interest has been provided for
Rajprotim Agencies Private Limited	0.30	31 December 2018	More than 3 years	Interest has been provided for
Rajprotim Agencies Private Limited	0.30	31 March 2019	More than 3 years	Interest has been provided for
Rajprotim Agencies Private Limited	0.30	30 June 2019	2 to 3 years	Interest has been provided for
Rajprotim Agencies Private Limited	0.30	30 September 2019	2 to 3 years	Interest has been provided for
Rajprotim Agencies Private Limited	0.30	31 December 2019	2 to 3 years	Interest has been provided for
Rajprotim Agencies Private Limited	0.30	31 March 2020	1 to 2 years	Interest has been provided for
Rajprotim Agencies Private Limited	0.30	30 June 2020	1 to 2 years	Interest has been provided for
Rajprotim Agencies Private Limited	0.30	30 September 2020	1 to 2 years	Interest has been provided for
Rajprotim Agencies Private Limited	0.30	31 December 2020	1 to 2 years	Interest has been provided for
Rajprotim Agencies Private Limited	0.30	31 March 2021	6 months to 1 year	Interest has been provided for
Rajprotim Agencies Private Limited	0.30	30 June 2021	6 months to 1 year	Interest has been provided for
Rajprotim Agencies Private Limited	0.30	30 September 2021	6 months to 1 year	Interest has been provided for
Rajprotim Agencies Private Limited	0.30	31 December 2021	6 months to 1 year	Interest has been provided for
Rajprotim Agencies Private Limited	0.04	31 March 2022	Less than 6 months	Interest has been provided for

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is a loan amounting to INR 12 crores (principal amount) and interest thereon of INR 3.91 crores which are overdue for more than ninety days as at 31 March 2022. The Company had already provided for the loan in the earlier years and interest has been provided as and when accrued/due for payment. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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 Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of remittance of Goods and Service Tax ('GST'). 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 Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (INR in crores)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income tax	0.39	AY 2018-19	Commissioner of Income Tax (Appeals), Chennai	

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or any material fraud on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(a), (b) and (c) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Company's Directors Report is expected to be made available to us after the date of this auditor's report.

(xx) a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

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

PRAVEEN KUMAR JAIN

Digitally signed by PRAVEEN KUMAR JAIN
Date: 2022.05.19 19:11:39 +05'30'

Praveen Kumar Jain
Partner
Membership No. 078893
ICAI UDIN: 22079893AJGQZI7762

Place: Chennai
Date: 19 May 2022

Annexure B to the Independent Auditors' report on the financial statements of ProConnect Supply Chain Solutions Limited for the year ended 31 March 2022.

To the Members of ProConnect Supply Chain Solutions Limited

Report on the internal financial controls with reference to the aforesaid 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 of even date)

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 2022 in conjunction with our audit of the 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 2022, 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 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.

Annexure B to the Independent Auditors' report on the financial statements of ProConnect Supply Chain Solutions Limited for the year ended 31 March 2022.

To the Members of ProConnect Supply Chain Solutions Limited

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 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 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

Digitally signed by PRAVEEN KUMAR JAIN
Date: 2022.05.19 19:15:35 +05'30'

Praveen Kumar Jain
Partner
Membership No. 078983
ICAI UDIN: 22079893AJGQZI7762

Place: Chennai
Date: 19 May 2022

ProConnect Supply Chain Solutions Limited
Balance Sheet as at 31 March 2022
(All amounts are in Indian Rupees in crores, except share data and as stated)

	Note	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	15A	9.44	9.62
Capital work in progress	15B	0.04	0.29
Right-of-use assets	17	54.47	23.08
Goodwill	16	15.74	15.74
Other intangible assets	16	11.38	14.67
Financial assets			
Deposits and other receivables	22	13.64	14.08
Other financial assets	24	2.91	3.83
Deferred tax assets (net)	14	8.12	8.50
Income tax assets		6.76	16.53
Other non-current assets	25	2.49	4.96
Total non-current assets		**124.99**	**111.30**
Current assets			
Inventories	18	-	-
Financial assets			
Trade receivables	19	81.51	99.50
Cash and cash equivalents	20	13.71	15.36
Other bank balances	21	22.05	8.87
Loans	23	-	-
Deposits and other receivables	22	7.87	7.08
Other financial assets	24	27.62	15.55
Other current assets	25	6.58	18.51
Total current assets		**159.34**	**164.87**
Total assets		**284.33**	**276.17**
Equity and liabilities			
Equity			
Equity share capital	26A	10.73	9.08
Other equity	26B		
Capital reserve		5.41	5.41
Securities premium		54.82	35.47
Retained earnings		37.87	22.97
Others (including items of other comprehensive income)		(1.07)	(1.48)
Total equity		**107.76**	**71.45**

ProConnect Supply Chain Solutions Limited
Balance Sheet as at 31 March 2022
(All amounts are in Indian Rupees in crores, except share data and as stated)

	Note	As at 31 March 2022	As at 31 March 2021
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	28	-	4.56
Lease liabilities	17	40.12	14.80
Other financial liabilities	30	7.26	6.53
Provisions	32	6.16	6.68
Total non-current liabilities		**53.54**	**32.57**
Current liabilities			
Financial liabilities			
Borrowings	28	7.97	65.75
Lease liabilities	17	17.27	14.56
Trade payables	29		
Total outstanding dues to micro enterprises and small enterprises		0.70	0.30
Total outstanding dues to creditors other than micro enterprises and small enterprises		74.84	67.49
Other financial liabilities	30	13.62	15.80
Provisions	32	0.78	0.70
Other current liabilities	31	7.85	7.55
Total current liabilities		**123.03**	**172.15**
Total liabilities		**176.57**	**204.72**
Total equity and liabilities		**284.33**	**276.17**

Significant accounting policies 3

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

As per our report of even date attached

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

PRAVEEN KUMAR JAIN
Digitally signed by PRAVEEN KUMAR JAIN
Date: 2022.05.19 19:18:53 +05'30'

Praveen Kumar Jain
Partner
Membership No. 079893

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

ENNAPADAM HARIHARAN KASTURI RANGAN

Kasturi Rangan E.H
Managing Director
DIN: 01814089

SRINIVASAN VENKATA KRISHNAN
Digitally signed by SRINIVASAN VENKATA KRISHNAN
Date: 2022.05.19 18:27:27 +05'30'

Krishnan S.V
Director
DIN: 07518349

SOURIRAJAN VIJAYARAGHAVAN
Digitally signed by SOURIRAJAN VIJAYARAGHAVAN
Date: 2022.05.19 17:40:01 +05'30'

S Vijayaraghavan
Chief Financial Officer

MALAYALAM BALAJI PRASAD

Balaji Prasad M
Company Secretary

Place: Chennai
Date: 19 May 2022

Place: Chennai
Date: 19 May 2022

ProConnect Supply Chain Solutions Limited

Statement of Profit and Loss for the year ended 31 March 2022

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

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Revenue			
Revenue from operations	6	492.11	450.04
Other income	7	10.49	12.45
Total revenue		**502.60**	**462.49**
Expenses			
Purchase of spares	8	0.05	0.06
Changes in inventories of spares	9	-	-
Employee benefits expense	10	43.66	39.74
Finance costs	11	6.63	12.39
Depreciation and amortisation expense	12	27.18	25.10
Other expenses	13	403.65	375.65
Total expenses		**481.17**	**452.94**
Profit before tax		**21.43**	**9.55**
Income tax	14		
Current tax		6.29	3.08
Deferred tax		0.24	(3.73)
Income tax expense		**6.53**	**(0.65)**
Profit for the year		**14.90**	**10.20**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability	32	0.55	0.10
Income tax relating to items that will not be reclassified to profit or loss	14	(0.14)	(0.01)
Net other comprehensive income not to be reclassified subsequently to profit or loss		**0.41**	**0.09**
Other comprehensive income for the year, net of income tax		**0.41**	**0.09**
Total comprehensive income for the year		**15.31**	**10.29**
Earnings per share	27		
Basic and diluted earnings per share (in Indian Rupees)		15.25	11.23
Significant accounting policies	3		

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

As per our report of even date attached

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

PRAVEEN KUMAR JAIN
Digitally signed by PRAVEEN KUMAR JAIN
Date: 2022.05.19 19:21:07 +05'30'

Praveen Kumar Jain
Partner
Membership No. 079893

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

ENNAPADAM HARIHARAN KASTURI RANGAN
Digitally signed by ENNAPADAM HARIHARAN KASTURI RANGAN
Date: 2022.05.19 17:56:31 +05'30'

Kasturi Rangan E.H
Managing Director
DIN: 01814089

SRINIVASAN VENKATA KRISHNAN
Digitally signed by SRINIVASAN VENKATA KRISHNAN
Date: 2022.05.19 18:28:42 +05'30'

Krishnan S.V
Director
DIN: 07518349

SOURIRAJAN VIJAYARAGHAVAN
Digitally signed by SOURIRAJAN VIJAYARAGHAVAN
Date: 2022.05.19 17:41:00 +05'30'

S Vijayaraghavan
Chief Financial Officer

MALAYALAM BALAJI PRASAD
Digitally signed by MALAYALAM BALAJI PRASAD
Date: 2022.05.19 17:56:48 +05'30'

Balaji Prasad M
Company Secretary

Place: Chennai
Date: 19 May 2022

Place: Chennai
Date: 19 May 2022

ProConnect Supply Chain Solutions Limited
Statement of changes in equity for the year ended 31 March 2022
(All amounts are in Indian Rupees in crores, except share data and as stated)

(a) Equity share capital

Particulars	Note	Amount
Balance as at 1 April 2020	**26A**	**9.08**
Changes in equity share capital due to prior period errors		-
Restated balance as at 1 April 2020		9.08
Changes in equity share capital during the year		-
Balance as at 31 March 2021	**26A**	**9.08**
Balance as at 1 April 2021	**26A**	**9.08**
Changes in equity share capital due to prior period errors		
Restated balance as at 1 April 2021		**9.08**
Changes in equity share capital during the year	26A	1.65
Balance as at 31 March 2022	**26A**	**10.73**

(b) Other equity

	Reserves and surplus				Items of other comprehensive income	
					Items that will not be reclassified to profit and loss	
	Securities premium	Retained earnings	Capital reserve	Other equity	Remeasurement of defined benefit obligations	Total
Balance as at 1 April 2020	**35.47**	**9.48**	**5.01**	**0.38**	**(1.57)**	**48.77**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at April 1, 2020	**35.47**	**9.48**	**5.01**	**0.38**	**(1.57)**	**48.77**
Profit for the year	-	10.20	-	-	-	**10.20**
Other comprehensive income for the year	-	-	-	-	0.09	**0.09**
Transferred to retained earnings	-	0.38	-	(0.38)	-	-
Recognition of previously unrecognised deferred tax assets, pursuant to amalgamation of RCS.		2.91				**2.91**
Stock compensation cost	-	-	0.40	-	-	**0.40**
Balance as at 31 March 2021	**35.47**	**22.97**	**5.41**	**-**	**(1.48)**	**62.37**
Balance as at 1 April 2021	**35.47**	**22.97**	**5.41**	**-**	**(1.48)**	**62.37**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at April 1, 2021	**35.47**	**22.97**	**5.41**	**-**	**(1.48)**	**62.37**
Profit for the year	-	14.90	-	-	-	**14.90**
Other comprehensive income for the year	-	-	-	-	0.41	**0.41**
Transferred to retained earnings	-	-	-	-	-	-
Securities Premium	19.35	-	-	-	-	**19.35**
Stock compensation cost	-	-	-	-	-	-
Balance as at 31 March 2022	**54.82**	**37.87**	**5.41**	**-**	**(1.07)**	**97.03**

Significant accounting policies 3
The notes referred to above form an integral part of financial statements

As per our report of even date attached

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

PRAVEEN KUMAR JAIN Digitally signed by PRAVEEN KUMAR JAIN Date: 2022.05.19 19:22:32 +05'30'

Praveen Kumar Jain
Partner
Membership No. 079893

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

ENNAPADAM HARIHARAN KASTURI RANGAN

Kasturi Rangan E.H
Managing Director
DIN: 01814089

SRINIVASAN VENKATA KRISHNAN Digitally signed by SRINIVASAN VENKATA KRISHNAN Date: 2022.05.19 18:29:13 +05'30'

Krishnan S.V
Director
DIN: 07518349

SOURIRAJAN VIJAYARAGHAVAN Digitally signed by SOURIRAJAN VIJAYARAGHAVAN Date: 2022.05.19 17:41:23 +05'30'

S Vijayaraghavan
Chief Financial Officer

MALAYALAM BALAJI PRASAD

Balaji Prasad M
Company Secretary

Place: Chennai
Date: 19 May 2022

Place: Chennai
Date: 19 May 2022

ProConnect Supply Chain Solutions Limited

Statement of Cash Flow for the year ended 31 March 2022

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

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Cash flow from operating activities			
Profit / (Loss) before taxes		21.43	9.55
Adjustments for:			
Depreciation and amortisation		27.18	25.10
Provision no longer required written back		(4.41)	(3.94)
Provision for financial asset		0.95	3.41
Provision for trade advances		-	2.09
Provision for security deposits		-	0.30
Bad debts written off		4.59	3.55
(Gain) on sale of property, plant and equipment		(0.85)	(0.33)
Derecognition of financial asset		-	0.38
Finance costs		6.63	12.39
Stock compensation expense		-	0.40
Interest income on income tax refund		-	(0.70)
Interest income on security deposits at amortised cost		(2.07)	(1.60)
Prepayment of rent		-	0.10
Interest income on cash and cash equivalents and loans		(1.33)	(1.90)
		52.12	**48.80**
Working capital adjustments:			
(Increase) / decrease in trade receivables		17.81	(2.46)
(Increase) / decrease in deposits and other receivables		(0.13)	(2.74)
Decrease / (increase) in other current / non-current financial assets		(10.74)	3.07
(Increase) / decrease in other current / non current assets		14.28	(7.49)
Increase / (decrease) in trade payable and other financial liabilities		6.22	41.40
Increase / (decrease) in provisions and other current liabilities		0.11	2.29
Cash generated from operating activities		**79.67**	**82.87**
Income tax paid (net)		3.59	(3.01)
Net cash generated from operating activities (A)		**83.26**	**79.86**
Cash flow from investing activities			
Interest received		0.86	0.50
Proceeds from sale of property, plant and equipment		1.07	0.40
Acquisition of property, plant and equipment		(4.61)	(4.19)
Investments in bank deposits with original maturity of more than 3 months		(13.18)	13.70
Net cash used in investing activities (B)		**(15.86)**	**10.41**

ProConnect Supply Chain Solutions Limited
Statement of Cash Flow for the year ended 31 March 2022
(All amounts are in Indian Rupees in crores, except share data and as stated)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Cash flow from financing activities			
Repayment of long term borrowings		(14.02)	(7.02)
Proceeds of borrowings from related parties		-	42.00
Repayment of borrowings from related parties		(20.00)	(22.00)
Net proceeds from short term borrowings		(15.00)	(22.70)
Proceeds from Issue of Share capital		21.00	-
Payment of finance lease obligations		(24.28)	(20.87)
Interest paid		(3.43)	(8.29)
Net cash used in financing activities (C)		**(55.73)**	**(38.88)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**11.67**	**51.39**
Cash and cash equivalents as at 1 April		2.04	(49.35)
Cash and cash equivalents as at 31 March	20	**13.71**	**2.04**

Significant accounting policies 3

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

As per our report of even date attached

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

PRAVEEN KUMAR JAIN
Digitally signed by PRAVEEN KUMAR JAIN
Date: 2022.05.19 19:24:15 +05'30'

Praveen Kumar Jain
Partner
Membership No. 079893

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

ENNAPADAM HARIHARAN KASTURI RANGAN

Kasturi Rangan E.H
Managing Director
DIN: 01814089

SRINIVASAN VENKATA KRISHNAN
Digitally signed by SRINIVASAN VENKATA KRISHNAN
Date: 2022.05.19 18:29:39 +05'30'

Krishnan S.V
Director
DIN: 07518349

SOURIRAJAN VIJAYARAGHAVAN
Digitally signed by SOURIRAJAN VIJAYARAGHAVAN
Date: 2022.05.19 17:41:48 +05'30'

S Vijayaraghavan
Chief Financial Officer

MALAYALAM BALAJI PRASAD

Balaji Prasad M
Company Secretary

Place: Chennai
Date: 19 May 2022

Place: Chennai
Date: 19 May 2022

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 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 financial statements were authorised for issue by the Company's Board of Directors on 19 May 2022.
Details of the Company's accounting policies are included in Note 3.

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 crores, unless otherwise stated.

2.3 Basis of measurement

The 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 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 2022 is included in the following notes:

- Note 32 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 33 – 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).

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 33 – financial instruments
- Note 40 – stock appreciation rights

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3 Significant accounting policies

3.1 i. Business combinations

Business combinations (other than common control business combinations) on or after 1 April 2015

The Company has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, retrospectively to those business combinations that occurred on or after 1 April 2015. In accordance with Ind AS 103, the Company accounts for these business combinations using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Acquisition related costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree' s employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations (other than common control business combinations) before 1 April 2015

In respect of such business combinations, goodwill represents the amount recognised under the Company's previous accounting framework under Indian GAAP.

ii. Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests (NCI)

An entity has a choice on a combination-by-combination basis to measure any NCI that represents present ownership interest in the acquiree at either fair value or the proportionate share of the acquiree's net identifiable assets. In respect of business combinations effected so far, the Company has elected one of the two approaches on a combination by combination basis.

iv. Transactions eliminated on consolidation

Intra-company balances and transactions, and any unrealised income and expenses arising from intra-company transactions, are

v. Loss of control

When the Company loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

3.2 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.

3.3 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.

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.

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

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.

3.4 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).

3 Significant accounting policies (continued)

3.5 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 contracts	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.

3.6 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.

3.7 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.

3 Significant accounting policies (continued)

3.7 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.

3 Significant accounting policies (continued)

3.8 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.

3.9 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.

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3 Significant accounting policies (continued)

3.10 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.

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3 Significant accounting policies (continued)

3.11 Leases

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.

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

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3 Significant accounting policies (continued)

3.11 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.

3.12 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.

3.13 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.

3 Significant accounting policies (continued)

3.13 Income tax (continued)

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.

3.14 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.

3.15 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.

3.16 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.

3.17 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 Significant accounting policies (continued)

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)

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There are no new standards or amendments to existing standards which are applicable from April 1, 2022.

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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 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 2022	Year ended 31 March 2021
India	473.45	433.80
USA	18.66	16.24
	492.11	**450.04**

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 2022	Year ended 31 March 2021
Customer A	93.31	68.75
Customer B	82.99	45.91
Customer C	82.88	71.73
Customer D	29.31	48.94
	288.49	**235.33**

6 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products	0.18	0.14
Sale of services		
Income from supply chain management services ^^	491.64	449.81
Other operating revenue		
Scrap Sales	0.29	0.09
	492.11	**450.04**

^^ Includes revenue INR 0.67 crores (31 March 2021: INR 0.74 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.

7 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on		
Cash and cash equivalents and other bank balances	0.39	0.70
Loan to corporates	0.94	1.20
Security deposits at amortised cost	2.07	1.60
Net gain on sale of property, plant and equipment	0.85	0.33
Net gain on foreign currency transactions	0.13	0.59
Interest income on income tax refund	-	0.70
Insurance claim	-	0.62
Provision no longer required written back	4.41	3.94
Rent concessions	-	0.96
Finance income on lease	0.67	0.79
Miscellaneous income	1.03	1.02
	10.49	**12.45**

8 Purchase of spares

	Year ended 31 March 2022	Year ended 31 March 2021
Purchases of spares	0.05	0.06
	0.05	**0.06**

9 Changes in inventories of spares

	Year ended 31 March 2022			Year ended 31 March 2021		
	Opening stock	Closing stock	Increase / Decrease	Opening stock	Closing stock	Increase / Decrease
Stock-in-trade of spares*	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

* Decrease in inventory of spares of INR 89,010 for year ended 31 March 2022 (31 March 2021: INR 23,170) has been rounded off in crores to Nil.

10 Employee benefits expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	34.13	31.05
Contribution to provident funds	1.56	1.60
Expenses related to post-employment defined benefit plans	0.63	0.65
Expenses related to compensated absences	0.31	0.61
Staff welfare expenses	7.03	5.43
Stock compensation expense (refer note 40 and 26B)	-	0.40
	43.66	**39.74**

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 1.56 crores (31 March 2021: INR 1.60 crores)

ProConnect Supply Chain Solutions Limited

Notes forming part of the financial statements for the year ended 31 March 2022

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

11 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on cash credit / working capital loans	2.27	7.44
Interest on loan from related parties	0.59	0.85
Interest on others	0.94	0.84
Finance cost on finance lease obligations	2.83	3.26
	6.63	**12.39**

12 Depreciation and amortisation expense

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 15)	4.90	4.90
Amortisation of intangible assets (refer note 16)	3.33	4.04
Depreciation of right-of-use assets (refer note 17)	18.95	16.16
	27.18	**25.10**

13 Other expenses

		Year ended 31 March 2022	Year ended 31 March 2021
Freight, delivery and shipping charges		142.68	127.63
Rent		47.87	50.13
Outsourced manpower cost		130.81	110.65
Warehouse handling charges		23.76	28.45
Consumption of packing materials		0.65	0.93
Power and fuel		4.40	4.22
Rates and taxes		3.40	1.89
Insurance		1.12	0.82
Repairs and maintenance			
Buildings		0.66	0.22
Machinery		1.81	2.36
Others		8.40	9.35
Directors' sitting fees		0.04	0.05
Legal and professional charges (refer note (a) below)		4.42	2.98
Travel and Conveyance		4.86	4.73
Sales promotion expenses		0.12	0.15
Communication expenses		3.16	2.18
Security services		15.18	14.31
Printing and stationery		2.67	2.72
Net loss on sale of property, plant and equipment		-	0.03
Provision for doubtful debts		-	-
Provision for financial asset (refer note (c) below)		0.95	3.41
Bad debts written off (net of adjustment agaisnt provision for doubtful receivables INR Nil crores (31 March 2021: INR 0.03 crores)		4.59	3.55
Provision for security deposits		-	0.30
Trade Advance written off	20.69		
Less: Provision for Trade advance reversed	(20.69)	-	-
Provision for doubtful trade advances		-	2.09
Derecognition of financial asset		-	0.38
Provision for other assets		0.25	0.15
Bank charges		0.12	0.21
Expenditure on Corporate social responsibility (refer note (b) below)		0.45	0.61
Miscellaneous expenses		1.28	1.15
		403.65	**375.65**

13 Other expenses (continued)

a. Payment to auditors

	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit	0.30	0.26
Tax audit	0.06	0.03
Other services	0.04	0.01
Reimbursement of expenses	0.00	0.01
Payment to component auditor	0.05	0.08
	0.45	**0.39**

b. Details of corporate social responsibility expenditure

	Year ended 31 March 2022	Year ended 31 March 2021
(a) Amount required to be spent by the company during the year,	**0.45**	**0.61**
(b) Amount of expenditure incurred,	0.45	0.11
(c) Shortfall at the end of the year,	-	0.50
(d) Total of previous years shortfall,	0.42	-
(e) Reason for shortfall,	-	Refer Note a) Below
(f) Nature of CSR activities	Differently abled enhancement Projects, Environment, Education,Health care	Differently abled enhancement Projects
(g) Details of related party transactions	-	-
(h) The movements in the provision for unspent CSR (relating to ongoing project) is as follows:	NA	-
Opening balance	-	-
Amount required to be spent during	0.50	0.61
Amount spent during the year	0.08	0.11
Closing balance	0.42	0.50

Note a) : Due to Covid induced lockdown, Company were not able to spend the amount. Hence transferred the funds to the unspent CSR Account

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'), an erstwhile subsidiary of the Company. Based on the such assessment, the management has recorded INR 0.95 crores (31 March 2021: INR 3.41 crores) as provision for the loans given to RAPAL and interest accrued there on. The gross amount receivable from RAPAL amounts to INR 16.25 crores (31 March 2021: INR 15.30 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.

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

14 Income tax

A. Amount recognised in the profit and loss

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax		
Current period	5.15	3.08
Change in estimates to prior periods	1.14	-
Total current tax expense	**6.29**	**3.08**
Deferred tax		
Origination and reversal of temporary difference	0.24	(3.73)
Reduction in tax rates	-	-
Total deferred tax expense / (benefit)	**0.24**	**(3.73)**
	6.53	**(0.65)**

B. Income tax recognised in other comprehensive income

	Year ended 31 March 2022			Year ended 31 March 2021		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurement of defined benefit liability (asset)	0.55	(0.14)	0.41	0.10	(0.01)	0.09
	0.55	**(0.14)**	**0.41**	**0.10**	**(0.01)**	**0.09**

C. Reconciliation of effective tax rate

		Year ended 31 March 2022		Year ended 31 March 2021
Profit / (loss) before tax		**21.43**		**9.55**
Enacted tax rates in India	25.17%	5.39	25.17%	2.40
Computed expected tax expense				
Changes in tax rates	0.00%	-	0.00%	-
Remeasurement of recognised deductible temporary difference on customer relationship acquired upon amalagamation (refer note 37)	0.00%	-	-44.92%	(4.29)
Changes in estimates related to prior years	0.44%	0.09	0.00%	-
Effect of non-deductible expenses	-0.78%	(0.17)	12.57%	1.20
Others	5.65%	1.21	0.42%	0.04
Income tax expense	**30.48%**	**6.53**	**-6.77%**	**(0.65)**

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ProConnect Supply Chain Solutions Limited

Notes forming part of the financial statements for the year ended 31 March 2022

(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 2022	**As at 31 March 2021**	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2022**	**As at 31 March 2021**
Property, plant and equipment	5.34	2.73	-	-	5.34	2.73
Intangible assets	-	0.03	2.86	-	(2.86)	0.03
Provision - employee benefits	1.74	2.36	-	-	1.74	2.36
Finance lease receivable	-	-	0.97	1.17	(0.97)	(1.17)
Right-of-use assets/Lease liabilities	0.01	0.06	0.04	-	(0.03)	0.06
Finance lease payable	0.78	1.50	-	-	0.78	1.50
Provision - others	4.11	2.99	-	-	4.11	2.99
			-			
Net deferred tax (assets) liabilities	**11.98**	**9.67**	**3.86**	**1.17**	**8.12**	**8.50**

Movement in temporary differences:

	Balance as at 1 April 2020	Impact on account of amalgamation of RCS	Recognized in profit or loss during 2020-21	Recognized in OCI during 2020-21	Balance as at 31 March 2021	Recognized in profit or loss during 2021-22	Recognized in OCI during 2021-22	Balance as at 31 March 2022
Property, plant and equipment	1.98	0.33	0.37	-	2.68	2.61	-	5.29
Intangible assets	(3.86)	-	3.89	-	0.03	(2.89)	-	(2.86)
Provision - employee benefits	1.61	0.30	0.48	0.01	2.40	(0.48)	(0.14)	1.78
Finance lease receivable	(1.16)	-	(0.01)	-	(1.17)	0.20	-	(0.97)
Right-of-use assets/Lease liabilities	(1.15)	0.06	1.17	-	0.08	(0.09)	-	(0.01)
Finance lease payable	2.80	-	(1.30)	-	1.50	(0.72)	-	0.78
Provision - others	1.63	2.22	(0.87)	-	2.98	1.12	-	4.10
	1.85	**2.91**	**3.73**	**0.01**	**8.50**	**(0.24)**	**(0.14)**	**8.12**

E. Recognition of deferred tax assets due to Amalgamation of Rajprotim Supply Chain Solutions Limited ('RCS')

RCS has not recognised deferred tax assets in its books as on 1 April 2020 owing to lack of reasonable certainty of realisation of such assets. Pursuant to approved scheme of amalgamation between the Company and RCS, the Company was able to establish reasonable certainty and hence, recognised this previously unrecognized DTA amounting to INR 2.91 crores by crediting retained earnings.

15A Property, plant and equipment

Reconciliation of carrying amount

Particulars	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Vehicles	Lease hold improvements	Total
Deemed cost / Cost (Gross carrying amount)							
Balance as at 1 April 2020	**7.66**	**4.75**	**8.38**	**7.87**	**2.53**	**0.40**	**31.59**
Additions	1.17	0.06	0.16	1.31	0.37	-	3.07
Disposals	-	(0.05)	(0.04)	-	(0.09)	-	(0.18)
Balance as at 31 March 2021	**8.83**	**4.76**	**8.50**	**9.18**	**2.81**	**0.40**	**34.48**
Additions	1.03	0.38	0.31	2.23	0.87	0.12	4.94
Disposals	(0.78)	(0.21)	(0.65)	(0.34)	(0.93)	(0.02)	(2.93)
Balance as at 31 March 2022	**9.08**	**4.94**	**8.16**	**11.07**	**2.75**	**0.49**	**36.49**
Accumulated depreciation							
Balance as at 1 April 2020	**4.84**	**3.04**	**4.87**	**6.01**	**1.13**	**0.16**	**20.05**
Additions	1.38	0.69	0.95	1.30	0.45	0.13	4.90
Disposals	-	(0.03)	(0.02)	-	(0.04)	-	(0.09)
Balance as at 31 March 2021	**6.22**	**3.70**	**5.80**	**7.31**	**1.54**	**0.29**	**24.86**
Additions	1.64	0.59	0.67	1.43	0.50	0.07	4.90
Disposals	(0.68)	(0.17)	(0.60)	(0.32)	(0.93)	(0.02)	(2.72)
Balance as at 31 March 2022	**7.18**	**4.11**	**5.88**	**8.42**	**1.11**	**0.34**	**27.05**
Carrying amount (net)							
As at 31 March 2021	2.61	1.06	2.70	1.87	1.27	0.11	9.62
As at 31 March 2022	**1.90**	**0.82**	**2.28**	**2.64**	**1.64**	**0.15**	**9.44**

15B i) Capital work-in-progress (CWIP)

Capital work-in-progress includes IT accessories installation amounting to INR.0.04 crores (31 March 2021: INR.0.29 crores)

ii) Ageing details

As at 31 March 2022

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.03	0.01	-	-	0.04
Projects temporarily suspended	-	-	-	-	-
Total	**0.03**	**0.01**	**-**	**-**	**0.04**

As at 31 March 2021

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.29	-	-	-	0.29
Projects temporarily suspended	-	-	-	-	-
Total	**0.29**	**-**	**-**	**-**	**0.29**

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16 Intangible assets

Particulars	Customer contracts	Customer relationship	Software	Total	Goodwill
Deemed cost / Cost (Gross carrying amount)					
Balance as at 1 April 2020	**5.00**	**15.01**	**5.86**	**25.87**	**19.34**
Additions	-	-	0.36	0.36	-
Disposals	-	-	-	-	-
Balance as at 31 March 2021	**5.00**	**15.01**	**6.22**	**26.23**	**19.34**
Additions		-	0.04	0.04	-
Disposals		-	-	-	-
Balance as at 31 March 2022	**5.00**	**15.01**	**6.26**	**26.27**	**19.34**
Accumulated amortisation					
Balance as at 1 April 2020	**3.79**	**2.01**	**1.72**	**7.52**	**3.60**
Additions	1.00	1.88	1.16	4.04	-
Disposals	-	-	-	-	-
Balance as at 31 March 2021	**4.79**	**3.89**	**2.88**	**11.56**	**3.60**
Additions	0.21	1.88	1.24	3.33	-
Disposals	-	-	-	-	-
Balance as at 31 March 2022	**5.00**	**5.77**	**4.12**	**14.89**	**3.60**
Carrying amount (net)					
As at 31 March 2021	0.21	11.12	3.34	14.67	15.74
As at 31 March 2022	**-**	**9.24**	**2.14**	**11.38**	**15.74**

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 2022	Year ended 31 March 2021
Auroma Logistics Private Limited (ALPL)	15.74	15.74
	15.74	**15.74**

Auroma Logistics Private Limited (ALPL)

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 Nil 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 2022	Year ended 31 March 2021
Revenue growth rate range over the forecast period	10% to 11%	38.14% to 10%
Terminal growth rate	2.0%	4.5%
EBITDA range over the forecast period	6.50% to 8.80%	7.50% to 9.40%
Risk-adjusted discount rates	14.35%	16.58%

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

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 2021: INR Nil). Impairment charge towards goodwill and has been disclosed as an exceptional item in the above standalone financial statements.

The cash flow for the FY 2026-27 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 2022 and 31 March 2021 (although it should be noted that these sensitivities do not take account of potential mitigating actions):

	As at 31 March 2022	**As at 31 March 2021**
Decrease in EBITDA by 1% over the forecast period	-	-
Decrease in terminal rate by 1%	-	-
Increase in discount rate by 1%	-	-

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

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 leasee is presented below

i. Right-of-use assets

	As at 31 March 2022	As at 31 March 2021
Balance as at 1 April	23.08	31.08
Additions to right-of-use assets	79.73	15.30
Less: Depreciation charge for the year	(18.95)	(16.16)
Less: Lease modifications	-	(0.47)
Less: Transfers	-	(0.99)
Less: Terminated contracts	(29.39)	(5.68)
Balance as at 31 March	**54.47**	**23.08**

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 2022	As at 31 March 2021
Lease liabilities under Ind AS 116		
Less than one year	17.27	14.56
One to five years	28.99	14.80
More than 5 years	11.13	-
Total lease liabilities as at 31 March	**57.39**	**29.36**

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

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18 Inventories

	As at 31 March 2022	As at 31 March 2021
Spares*	-	-
	-	**-**

* Inventory of spares as at 31 March 2022 of INR 89,010 (31 March 2021: INR 32,635) has been rounded off in crores to Nil.

19 Trade receivables

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	81.51	99.50
Doubtful	3.55	7.99
Less : Loss allowance	(3.55)	(7.99)
	81.51	**99.50**
Current	81.51	99.50
	81.51	**99.50**

Of the above, trade receivables from related parties are as below:

	As at 31 March 2022	As at 31 March 2021
Total trade receivables from related parties (refer note 38)	14.50	14.03
Less: Loss allowance	-	-
Net trade receivables	**14.50**	**14.03**

Ageing of Trade receivables and Unbilled revenue

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Trade receivables							
i) Undisputed – Considered good	42.01	39.74	2.28	1.04	-	-	85.06
ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed – credit impaired	-	-	-	-	-	-	-
iv) Disputed – Considered good	-	-	-	-	-	-	-
v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed – Considered doubtful/ Credit impaired	-	-	-	-	-	-	-
Sub-Total	**42.01**	**39.74**	**2.28**	**1.04**	**-**	**-**	**85.06**
Less: Loss Allowance							**(3.55)**
Total Trade receivables							**81.51**
Unbilled revenue	16.20	5.89	-	-	-	-	**22.09**
Total Unbilled revenue	**16.20**	**5.89**	**-**	**-**	**-**	**-**	**22.09**

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Trade receivables							
i) Undisputed – Considered good	38.18	60.34	2.96	2.40	2.53	1.08	107.49
ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed – credit impaired	-	-	-	-	-	-	-
iv) Disputed – Considered good	-	-	-	-	-		-
v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed – Considered doubtful/ Credit impaired	-	-	-	-	-	-	-
Sub-Total	**38.18**	**60.34**	**2.96**	**2.40**	**2.53**	**1.08**	**107.49**
Less: Loss Allowance							**(7.99)**
Total Trade receivables							**99.50**
Unbilled revenue	8.55	3.65	-	-	-	-	**12.20**
Total Unbilled revenue	**8.55**	**3.65**	**-**	**-**	**-**	**-**	**12.20**

20 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Cash in hand	0.10	0.12
Balance with banks:		
- in current accounts	13.61	13.24
- on deposit accounts (with original maturity of 3 months or less)	-	2.00
Cash and cash equivalents in balance sheet	**13.71**	**15.36**
Less: Bank overdrafts and cash credit facilities used for cash management purposes	-	(13.32)
Cash and cash equivalents in the statements of cash flows	**13.71**	**2.04**

21 Other bank balances

	As at 31 March 2022	As at 31 March 2021
Fixed deposits with original maturity of more than three months	22.05	8.87
	22.05	**8.87**

Other bank balances includes INR 0.70 crores (31 March 2021: INR 0.56 crores) of fixed deposit is pledged against the Overdraft facility availed from SBI and South Indian Bank.

22 Deposits and other receivables

	As at 31 March 2022	As at 31 March 2021
Non-current		
Security deposit		
Unsecured, considered good	13.64	14.08
	13.64	**14.08**
Current		
Security deposit		
Unsecured, considered good	7.87	7.08
Doubtful	0.30	0.59
Less : Loss allowance	(0.30)	(0.59)
	7.87	**7.08**

23 Loans

	As at 31 March 2022	As at 31 March 2021
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)
	-	-
	-	**-**
Non-current	-	-
Current	-	-
	-	**-**

* 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.

24 Other financial assets

	As at 31 March 2022	As at 31 March 2021
Non-current		
Long term finance lease receivable (refer note (b) below)	2.91	3.83
	2.91	**3.83**
Current		
Current maturities of finance lease receivable (refer note (b) below)	0.93	0.79
Interest accrued	4.29	3.92
Less: Provision for interest receivable	(4.25)	(3.30)
Unbilled revenue	22.09	12.20
Others (refer note (a) below)	4.56	1.94
	27.62	**15.55**

a) Others includes INR NIL crores (31 March 2021: INR 0.40 crores) extended as housing loan to managing director of the Company. Such loan carries interest of 9% p.a.

Disclosure of loans and advances

As at 31 March 2022

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-

As at 31 March 2021

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	0.40	100%
Related Parties	-	-

24 Other financial assets (continued)

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 2022	As at 31 March 2021
Gross investment	4.96	6.43
Unearned finance income	(1.12)	(1.81)
Net investment	**3.84**	**4.62**

Finance leases are receivable as follows:

Gross investment	As at 31 March 2022	As at 31 March 2021
Within less than one year	1.46	1.46
Between One and five years	3.50	4.97
After more than five years	-	-
	4.96	**6.43**

Present value of minimum lease payments	As at 31 March 2022	As at 31 March 2021
Within less than one year	0.93	0.79
Between One and five years	2.91	3.83
After more than five years	-	-
	3.84	**4.62**

25 Other assets

	As at 31 March 2022	As at 31 March 2021
Non-current		
Capital advances	-	0.12
Less: Provision for capital advances	-	(0.10)
Prepayments	1.25	2.70
Receivable from government authorities	1.24	2.24
	2.49	**4.96**
Current		
Prepayments	2.78	2.86
Balances with statutory authorities	3.15	12.32
Others	1.23	25.72
Less: Provision for trade advances	(0.58)	(22.39)
	6.58	**18.51**

During the earlier years, the Company has advanced Rajprotim Agencies Private Limited ('RAPAL') INR.20.69 crore, which was also provided for as at 31 March 2021. This advance has been written off during the year ended 31 March 2022.

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

26A Share Capital

	As at 31 March 2022	As at 31 March 2021
Authorised		
15,010,000 (31 March 2021: 15,000,000) equity shares of Rs. 10 each	15.01	15.01
Issued, Subscribed and Paid-up		
10,735,008 (31 March 2021: 9,081,465) equity shares of Rs. 10 each fully paid up	10.73	9.08

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	9,081,465	9.08	9,081,465	9.08
Shares issued for cash	1,653,543	1.65	-	-
At the end of the year	**10,735,008**	**10.73**	**9,081,465**	**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 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10/- each paid up held by Redington (India) Limited and its nominees	10,735,008	10.73	9,081,465	9.08

As at 31 March 2022
Shares held by promoters at the end of the year

Promoter name	No. of Shares	%of total shares	% Change during the year
Redington India Limited	10,735,008	100%	0%

As at 31 March 2021
Shares held by promoters at the end of the year

Promoter name	No. of Shares	%of total shares	% Change during the year
Redington India Limited	9,081,465	100%	0%

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

26B Other equity

a. Securities premium

	As at 31 March 2022	As at 31 March 2021
At the commencement of the year	35.47	35.47
Share issued for cash	19.35	-
At the end of the year	**54.82**	**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 2022	As at 31 March 2021
At the commencement of the year	5.41	5.01
Stock Compensation Cost (Refer Note 10)	-	0.40
At the end of the year	**5.41**	**5.41**

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.

c. *Analysis of accumulated OCI, net of tax*

A. Other items of OCI

	As at 31 March 2022	As at 31 March 2021
Remeasurements of defined benefit liability (asset)	(1.07)	(1.48)
	(1.07)	**(1.48)**

Remeasurements of defined benefit liability (asset)

	As at 31 March 2022	As at 31 March 2021
Opening balance	(1.48)	(1.57)
Remeasurements of defined benefit liability (asset)	0.41	0.09
Closing balance	**(1.07)**	**(1.48)**

Remeasurements of defined benefit liability (asset)

Remeasurements of defined benefit liability (asset) comprises actuarial (losses) / gains.

26C 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 2022	As at 31 March 2021
Total borrowings - short term and long term	7.97	70.31
Less: Cash and cash equivalents and other bank balances	(35.76)	(24.23)
Net Debt (A)	**(27.79)**	**46.08**
Total Equity (B)	**107.76**	**71.45**
Adjusted net debt to adjusted equity ratio	**(0.26)**	**0.64**

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

27 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)

	As at 31 March 2022	As at 31 March 2021
Profit for the year, attributable to the equity holders	15.25	11.23

(ii) Weighted average number of equity shares (basic and diluted)

	As at 31 March 2022	As at 31 March 2021
Opening balance	9,081,465	9,081,465
Effect of fresh issue of shares for cash	684,068	-
Weighted average number of equity outstanding during the year	**9,765,533**	**9,081,465**

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28 Borrowings

	As at 31 March 2022	As at 31 March 2021
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)	-	8.33
Overdraft facilities (secured)	-	4.99
Working capital demand loan (secured)	-	15.00
Terms loans from banks (secured)	-	11.35
Loan from related parties (unsecured)	-	20.00
	-	**59.67**
Current portion of long term borrowing		
Terms loans from banks (secured)	7.97	6.08
Total current borrowings	**7.97**	**65.75**

Information about the Company's exposure to interest rate and liquidity risk is provided in Note 33

During the previous year, Company could not meet a few of the loan covenants associated with term loans availed from HDFC Bank. Since these covenants were breached as at 31 March 2021, these terms loans are classified as current borrowings.

Quarterly returns and statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

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 2022	Carrying amount as at 31 March 2021
Cash credit from banks	INR	9.5% - 10%	2021-22	-	8.33
Overdraft facilities from banks	INR	10% - 7.7%	2021-22	-	4.99
Working capital demand loan	INR	8.95% - 10.4%	2021-22	-	15.00
Loan from related parties	INR	7.45%	2021-22	-	20.00
Term loans	INR	9.70%	2022-23	-	3.50
Term loans	USD	6.90%	2022-23	3.17	7.14
Term loans	INR	8.7% - 11.13%	2022-23	4.80	11.35
				7.97	**70.31**

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

Notes forming part of the financial statements for the year ended 31 March 2022

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

28 Borrowings (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

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 2020					
- Borrowings	**51.77**	**37.70**	**29.01**	**-**	**118.48**
- Other financial liabilities	**-**	**-**	**-**	**37.88**	**37.88**
Changes from financing cash flows					
Loans availed during the year	-	80.15	-	-	**80.15**
Loans repaid during the year	-	(82.85)	(7.02)	(20.87)	**(110.74)**
Interest expense	2.96	3.97	1.36	3.26	**11.55**
Interest paid	(2.96)	(3.97)	(1.36)	-	**(8.29)**
Total changes from financing cash flows	**-**	**(2.70)**	**(7.02)**	**(17.61)**	**(27.33)**
Other changes					
Liability-related					
Change in bank overdraft	4.95	-	-	-	**4.95**
Change in cash credits	(43.40)	-	-	-	**(43.40)**
On account of termination	-	-	-	(5.74)	**(5.74)**
On account of modification	-	-	-	(0.47)	**(0.47)**
New finance leases	-	-	-	15.30	**15.30**
Total liability-related other changes	**(38.45)**	**-**	**-**	**9.09**	**(29.36)**
Balance at the 31 March 2021					
-Borrowings	**13.32**	**35.00**	**21.99**	**-**	**70.31**
-Lease liabilities	**-**	**-**	**-**	**29.36**	**29.36**
Balance at the 1 April 2021					
- Borrowings	**13.32**	**35.00**	**21.99**	**-**	**70.31**
-Lease liabilities	**-**	**-**	**-**	**29.36**	**29.36**
Changes from financing cash flows					
Loans availed during the year	-	-	-	-	**-**
Loans repaid during the year	-	(35.00)	(14.02)		**(49.02)**
Interest expense	2.27	0.59	-	2.83	**5.69**
Preclosure charges	-	-	-	-	**-**
Preclosure charges paid	-	-	-	-	**-**
Interest paid	(2.27)	(0.59)	-	-	**(2.86)**
Total changes from financing cash flows	**-**	**(35.00)**	**(14.02)**	**2.83**	**(46.19)**
Other changes					
Liability-related					
Change in bank overdraft	(8.33)	-	-	-	**(8.33)**
Change in cash credits	(4.99)	-	-	-	**(4.99)**
On account of termination	-	-	-	(53.12)	**(53.12)**
On account of modification				-	**-**
New finance leases				78.32	**78.32**
Total liability-related other changes	**(13.32)**	**-**	**-**	**25.20**	**11.88**
Balance at the 31 March 2022					
-Borrowings	**-**	**-**	**7.97**	**-**	**7.97**
-Other financial liability	**-**	**-**	**-**	**-**	**-**
-Lease liability	**-**	**-**	**-**	**57.39**	**57.39**

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

29 Trade payables

	As at 31 March 2022	As at 31 March 2021
Trade payables to related parties	0.59	0.87
Other trade payables	74.95	66.92
	75.54	**67.79**

All trades payables are 'current'

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 33. Also, refer note 39 on Micro, Small and Medium Enterprises.

Ageing of trade payables

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 - 2 Years	2-3 years	More than 3 years	Total
Undisputed dues						
(i) MSME	-	0.70	-	-	-	**0.70**
(ii) Others	18.63	11.84	1.94	0.77	-	**33.19**
Disputed dues						
(iii) MSME	-	-	-	-	-	-
(iv) Others	-	-	-	-	-	-
Unbilled dues (Provisions)	41.65	-	-	-	-	**41.65**
	60.28	**12.54**	**1.94**	**0.77**	**-**	**75.54**

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 - 2 Years	2-3 years	More than 3 years	Total
Undisputed dues						
(i) MSME	-	0.30	-	-	-	**0.30**
(ii) Others	10.52	17.61	1.15	0.71	2.66	**32.66**
Disputed dues						
(iii) MSME	-	-	-	-	-	-
(iv) Others	-	-	-	-	-	-
Unbilled dues (Provisions)	34.73	-	-	-	-	**34.73**
	45.25	**17.91**	**1.15**	**0.71**	**2.66**	**67.69**

30 Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Deposit from customers	7.26	6.53
Other payables	13.62	15.80
	20.88	**22.33**
Non current	7.26	6.53
Current	13.62	15.80
	20.88	**22.33**

The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in note 33.

31 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Dues to employees	4.63	3.77
Statutory dues	3.22	3.78
	7.85	**7.55**
Non current	-	-
Current	7.85	7.55
	7.85	**7.55**

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

32 Provisions

	Non current		Current	
	As at 31 March 2022	**As at 31 March 2021**	**As at 31 March 2022**	**As at 31 March 2021**
Provision for employee benefits				
Liability for gratuity	4.40	4.93	0.55	0.50
Liability for compensated absences	1.76	1.75	0.23	0.20
	6.16	**6.68**	**0.78**	**0.70**

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 2022	**As at 31 March 2021**
Balance at the beginning of the year	5.43	4.99
Current service cost	0.65	0.65
Interest cost	0.39	0.31
Benefits paid	(1.08)	(0.42)
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	(0.44)	0.03
- experience adjustments	-	(0.13)
Balance at the end of the year	**4.95**	**5.43**

C. Expense/ (income) recognised in the statement of profit or loss

	Year Ended 31 March 2022	**Year Ended 31 March 2021**
Current service cost	0.65	0.65
Interest cost	0.39	0.31
	1.04	**0.96**

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

32 Provisions (continued)

D. Remeasurements recognised in other comprehensive income

	Year Ended 31 March 2022	Year Ended 31 March 2021
Actuarial loss on defined benefit obligations	(0.44)	(0.10)
	(0.44)	**(0.10)**

E. Defined benefit obligation

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date:

	As at 31 March 2022	As at 31 March 2021
Discount rate	6.75%	6.50%
Future salary growth	10.00%	10.00%
Attrition rate	12.50%	10% to 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 2022		As at 31 March 2021	
	Increase in %	Decrease in %	Increase in %	Decrease in %
Discount rate (1% movement)	(0.32)	0.30	(0.29)	0.33
Future salary growth (1% movement)	0.29	(0.30)	0.31	(0.27)
Attrition rate (1% movement)	(0.08)	0.05	(0.06)	0.08

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

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

33 Financial instruments - Fair values and risk management

A. Accounting classification and fair values

	Note	As at 31 March 2022				As at 31 March 2021			
		FVTPL	FVOCI	Amortised cost	At cost	FVTPL	FVOCI	Amortised cost	At cost
Financial assets not measured at fair value									
Trade receivables	19	-	-	81.51	-	-	-	99.50	-
Cash and cash equivalents	20	-	-	13.71	-	-	-	15.36	-
Other bank balances	21	-	-	22.05	-	-	-	8.87	-
Deposits and other receivables	22	-	-	21.51	-	-	-	21.16	-
Other financial assets	24	-	-	30.53	-	-	-	19.38	-
Total financial assets		**-**	**-**	**169.31**	**-**	**-**	**-**	**164.27**	**-**
Financial liabilities not measured at fair value									
Trade payables	29	-	-	75.54	-	-	-	67.79	-
Lease liabilities	17	-	-	57.39				29.36	
Borrowings	28	-	-	7.97	-	-	-	70.31	-
Other financial liabilities	30	-	-	20.88	-	-	-	22.33	-
									-
Total financial liabilities		**-**	**-**	**161.78**		**-**	**-**	**189.79**	**-**

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 33A), 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 2022			As at 31 March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets not measured at fair value						
Security deposits	-	21.51	-	-	21.16	-
	-	**21.51**	**-**	**-**	**21.16**	**-**

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

33 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 2022	**As at 31 March 2021**
Trade receivables	81.51	99.50
Cash and bank balances	13.71	15.36
Other bank balances	22.05	8.87
Deposits and other receivables	21.51	21.16
Other financial assets	30.53	19.38
Total	**169.31**	**164.27**

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.

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

33 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 2022	As at 31 March 2021
Customer A	5.49	15.06
Customer B	15.65	13.75
Customer C	20.66	10.99
Customer D	2.83	14.74
	44.63	**54.54**

The ageing of trade receivables that were not impaired as at the reporting date was:

As at 31 March 2022

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit - impaired
Not due	41.03	0.00%	-	No
Past due 1-90 days	36.57	1.26%	(0.46)	No
Past due 90-180 days	3.17	7.58%	(0.24)	No
Past due 181-270 days	1.69	31.43%	(0.53)	No
Past due 271-365 days	0.58	53.02%	(0.31)	No
Past due for more than 365 days	2.02	99.64%	(2.01)	No
Total	**85.06**		**(3.55)**	

As at 31 March 2021

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit - impaired
Not due	45.60	0.18%	(0.08)	No
Past due 1-90 days	50.49	1.29%	(0.65)	No
Past due 90-180 days	3.58	15.36%	(0.55)	No
Past due 181-270 days	0.98	22.45%	(0.22)	No
Past due 271-365 days	1.10	76.36%	(0.84)	No
Past due for more than 365 days	5.74	98.43%	(5.65)	No
Total	**107.49**		**(7.99)**	

33 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 2022	As at 31 March 2021
Balances at 1 April	7.99	11.93
Add: Provision for the year / (reversal)	(4.41)	(3.94)
Less: Provison reversed against bad debts written off	(0.03)	-
Balance at 31 March	**3.55**	**7.99**

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 35.76 crores at 31 March 2022 (31 March 2021: INR 24.23 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 2022							
Non derivative financial liabilities							
Loans from banks ^^	7.97	7.97	2.17	1.00	1.20	3.60	-
Lease liabilities	57.39	71.12	10.32	11.01	14.94	21.69	13.17
Trade payables	75.54	75.54	75.54	-	-	-	-
Other financial liabilities	20.88	20.88	13.62	-	7.26	-	-
	161.78	**175.51**	**101.65**	**12.01**	**23.40**	**25.29**	**13.17**

^^ 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 2021							
Non derivative financial liabilities							
Loan from banks ^^	70.31	70.31	62.71	3.04	4.56	-	-
Lease liabilities	29.36	32.13	8.47	7.92	12.56	3.18	-
Trade payables	67.79	67.79	67.79	-	-	-	-
Other financial liabilities	22.33	22.33	15.80	-	6.53	-	-
	189.79	**192.56**	**154.77**	**10.96**	**23.65**	**3.18**	**-**

^^ excluding contractual interest payments

33 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 2022 is INR Nil (31 March 2021: Nil) and financial instruments carried at amortised cost as at 31 March 2022 is INR 168.67 crores (31 March 2021: 164.27 crores)

Financial assets of INR 164.27 crores as at 31 March 2022 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 84.17 crores as at 31 March 2022 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 22.09 crores as at 31 March 2022 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of INR 3.55 crores as at 31 March 2022 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 2022		As at 31 March 2021	
	INR	**USD**	**INR**	**USD**
Financial assets:				
Trade receivables	77.58	3.93	90.38	9.12
Loans	-	-	-	-
Cash and cash equivalents	13.71	-	15.36	-
Other bank balances	22.05	-	8.87	-
Deposits and other receivables	21.51	-	21.16	-
Other financial assets	28.58	1.95	18.52	0.86
Financial liabilities:				
Borrowings	-	(7.97)	(57.09)	(7.14)
Lease liabilities	(57.39)	-	(29.36)	-
Trade payables	(75.54)	-	(67.79)	-
Other financial liabilities	(20.88)	-	(28.41)	-
Net assets / (liabilities)	**9.62**	**(2.09)**	**(28.36)**	**2.84**

Sensitivity analysis

A reasonably possible strengthening (weakening) of INR against US dollar at 31 March 2022 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 2022				
USD (1% movement)	(0.02)	0.02	-	-
31 March 2021				
USD (1% movement)	(0.03)	0.03	-	-

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

33 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

	As at 31 March 2022	As at 31 March 2021
Fixed rate instruments		
Financial assets - Other bank balances	22.05	8.87
Financial assets - Loans		-
Financial assets - Finance lease receivable	3.84	4.62
Financial liabilities- Finance lease obligation	(57.39)	(29.36)
Financial liabilities- Term Loan	(7.97)	(21.99)
Financial liabilities- Working capital demand loan	-	(15.00)
	(39.47)	**(52.86)**

Variable-rate instruments

	As at 31 March 2022	As at 31 March 2021
Financial liabilities- Secured loan	-	(13.32)
	-	**(13.32)**

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 2022		
Variable-rate instrument	-	-
Cash flow sensitivity (net)	**-**	**-**
31 March 2021		
Variable-rate instrument	(0.13)	0.13
Cash flow sensitivity (net)	**(0.13)**	**0.13**

34 Analytical Ratios

Sr.No	Ratio	Current Period	Previous Period	% Variance	Reason for Variance
(a)	Current Ratio,	1.30	0.96	35%	Refer a) below
(b)	Debt-Equity Ratio,	0.07	0.98	-92%	Refer b) below
(c)	Debt Service Coverage Ratio,	0.84	2.83	-70%	Refer c) below
(d)	Return on Equity Ratio,	0.17	0.16	5%	
(e)	Inventory turnover ratio,	NA	NA	0%	
(f)	Trade Receivables turnover ratio,	2.72	2.30	18%	
(g)	Trade payables turnover ratio,	5.63	6.66	-15%	
(h)	Net capital turnover ratio,	13.55	(61.82)	-122%	Refer d) below
(i)	Net profit ratio,	0.03	0.02	34%	Refer e) below
(j)	Return on Capital employed,	1.31	0.39	235%	Refer f) below
(k)	Return on investment.	0.80	0.48	66%	Refer g) below

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

Formulas for above ratios:

Current ratio = Current assets/ current liabilities
Debt equity ratio = (Total Debt - Cash and cash equivalents)/ (Total equity - Investments in subsidiaries)
Debt service coverage ratio = (Profit before tax + Interest expenses) / (Interest expenses + Repayment of long-term loans during the year)
Inventory turnover ratio = Revenue from operations/ Average inventories
Trade receivables turnover ratio = Revenue from operations/ Average trade receivables
Trade payables turnover ratio = Revenue from operations/ Average trade payables
Net capital turnover ratio = Revenue from operations/ (Average inventories + Average trade receivables – Average trade payables)
Net profit % = Net profit/ Revenue from operations
Return on equity % = Profit after tax/ (Average equity – Investments in subsidiaries)
Return on capital employed (Net of cash) % = (Profit before tax + Interest expenses)/ (Average capital employed – cash and cash equivalents) where Capital employed = Equity + Borrowings.
Return on capital employed (Gross) % = (Profit before tax + Interest expenses)/ Average capital employed
Return on investment % = Net operating profit after tax/ Average capital employed

Reasons for Variance:

a) Current Ratio	Debtors have reduced by 18% on account of improved collections. This has led to increase in current ratio.
b) Debt equity ratio	During the year ended 31 March 2022, the borrowings have reduced on account of repayment and equity has increased resulting in better debt equity ratio.
c) Debt Service coverage ratio	The change in debt service coverage ratio is on account of repayment of borrowings during the year.
d) Net Capital turnover ratio	The change in net capital turnover ratio is on account of change in working capital owing to reduction in debtors balance.
e) Net Profit ratio	Improved profits have resulted in the increase in Net Profit Ratio.
f) Return on Capital employed	Return on Capital Employed has improved on account of improvement in capital employed, which is on account of higher profits and lesser debt.
g) Return on investment	Return on investment has increased on account of increased profit during the year.

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 2022	Year ended 31 March 2021
Lease expense	47.87	50.13

36 Contingent liabilities and capital commitments

	As at March 31 2022	As at March 31 2021
Estimated amount of contracts remaining to be executed on capital account and not provided	0.47	0.45
Contingencies		
Contingent liabilities:		
Bank guarantees issued	11.46	7.78
Claims not acknowledged as debt	-	0.32

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

37 Amalgamation of Rajprotim Supply Chain Solutions Limited, a wholly owned subsidiary

(a) Regional Director, Chennai has approved the Scheme of amalgamation of Rajprotim Supply Chain Solutions Limited (RCS), an erstwhile wholly-owned subsidiary of the Company ('hereinafter referred to as RCS or "Transferor Company") with the Company (or the "Transferee Company") pursuant to Section 233 of the Companies Act, 2013 (referred to as 'Scheme'), with effect from the Appointment Date i.e. 1 April 2020, vide its Order dated 27 September 2021.

(b)

As per the requirements of Appendix C to Ind AS 103 "Business Combination", the above merger has been accounted for in the books of Transferee Company and presented effective from 1 April 2020, the beginning of the preceding period in the financial statements, which is also the appointed date, in accordance with "pooling of interest method" as prescribed under Ind AS 103- "Business Combinations".

(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 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 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 2021			
	As previously reported	**RCS**	**Adjustments**	**Total**
Assets				
Non-current assets				
Property, plant and equipment	8.93	0.69	-	9.62
Capital Work in Progress	0.29	-	-	0.29
Right-of-use assets	21.61	1.47	-	23.08
Goodwill	15.74	-	-	15.74
Other intangible assets	14.45	0.22	-	14.67
Financial assets				
Investments	21.16	-	(21.16)	-
Deposits and other receivables	12.73	1.06	0.29	14.08
Loans	21.40	-	(21.40)	-
Other financial assets	3.83	-	-	3.83
Deferred tax assets (net)	6.31	-	2.19	8.50
Income tax assets (net)	13.00	0.91	2.62	16.53
Other non-current assets	4.86	0.10	-	4.96
Total non-current assets	**144.31**	**4.45**	**(37.46)**	**111.30**
Current assets				
Inventories	-	-	-	-
Financial assets				
Trade receivables	89.48	9.99	0.03	99.50
Cash and cash equivalents	10.80	4.59	(0.03)	15.36
Other bank balances	8.87	-		8.87
Loans	8.50	-	(8.50)	-
Deposits and other receivables	6.72	3.72	(3.36)	7.08
Other financial assets	12.75	-	2.80	15.55
Other current assets	17.90	0.49	0.12	18.51
Total current assets	**155.02**	**18.79**	**(8.94)**	**164.87**
Total assets	**299.33**	**23.24**	**(46.40)**	**276.17**

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

37 Amalgamation of Rajprotim Supply Chain Solutions, a wholly owned subsidiaries (continued)

	As at 31 March 2021			
	As previously reported	**RCS**	**Adjustments**	**Total**
Equity and liabilities				
Equity				
Equity share capital	9.08	11.17	(11.17)	9.08
Other equity				
Capital Reserve	5.41	-		5.41
Securities premium	35.47	8.83	(8.83)	35.47
Retained earnings	68.32	(48.89)	3.54	22.97
Others (including items of other comprehensive income)	(1.51)	0.02	0.01	(1.48)
Total equity	**116.77**	**(28.87)**	**(16.45)**	**71.45**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	4.56	-	-	4.56
Lease liability	14.29	0.51	-	14.80
Other financial liabilities	6.53	-	-	6.53
Provisions	6.41	0.27	-	6.68
Total non-current liabilities	**31.79**	**0.78**	**-**	**32.57**
Current liabilities				
Financial liabilities				
Borrowings	52.44	37.14	(29.91)	59.67
Lease liability	13.40	-	1.16	14.56
Trade payables				
Total outstanding dues to micro enterprises and small enterprises	0.30	-	-	0.30
Total outstanding dues to creditors other than micro enterprises and small enterprises	55.13	12.44	(0.08)	67.49
Other financial liabilities	21.59	1.63	(1.34)	21.88
Provisions	0.70	-	-	0.70
Other current liabilities	7.21	0.12	0.22	7.55
Total current liabilities	**150.77**	**51.33**	**(29.95)**	**172.15**
Total liabilities	**182.56**	**52.11**	**(29.95)**	**204.72**
Total equity and liabilities	**299.33**	**23.24**	**(46.40)**	**276.17**

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

37 Amalgamation of Rajprotim Supply Chain Solutions, a wholly owned subsidiaries (continued)

(e) The impact of the above Scheme on the previously reported statement of profit and loss for the year ended 31 March 2021 is as follows:

Particulars	As previously reported	RCS	Adjustments	Total
Revenue				
Revenue from operations	385.79	64.40	(0.15)	450.04
Other income	9.67	1.21	1.57	12.45
Total revenue	**395.46**	**65.61**	**1.42**	**462.49**
Expenses				
Purchase of spares	0.06	-	-	0.06
Changes in inventories of spares	-	-	-	-
Employee benefits expense	36.04	3.72	(0.02)	39.74
Finance costs	10.52	3.69	(1.82)	12.39
Depreciation and amortisation expense	21.89	3.22	(0.01)	25.10
Other expenses	308.58	63.83	3.24	375.65
Total expenses	**377.09**	**74.46**	**1.39**	**452.94**
Profit / (Loss) before tax	**18.37**	**(8.85)**	**0.03**	**9.55**
Income tax				
Current tax	5.69	-	(2.61)	3.08
Deferred tax	(4.45)	-	0.72	(3.73)
Income tax expense	**1.24**	**-**	**(1.89)**	**(0.65)**
Profit / (Loss) for the year	**17.13**	**(8.85)**	**1.92**	**10.20**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of the defined benefit liability	(0.03)	0.13	-	0.10
Income tax relating to items that will not be reclassified to profit or loss	0.01	-	(0.02)	(0.01)
Net other comprehensive income not to be reclassified subsequently to profit or loss	**(0.02)**	**0.13**	**(0.02)**	**0.09**
Other comprehensive income for the year, net of income tax				
Total comprehensive income for the year	**17.11**	**(8.72)**	**1.90**	**10.29**

(f) The impact of the above Scheme on the previously reported cash flow statement for the year ended 31 March 2021 is as follows:

Particulars	As previously reported	RCS	Adjustments	Total
Cash flows from / (used in) operating activities	69.96	9.75	0.15	79.86
Cash flows from / (used in) investing activities	(6.65)	(0.01)	17.07	10.41
Cash flows from / (used in) financing activities	(30.03)	8.40	(17.25)	(38.88)

38 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)
Associate of holding company	Currents Technology Retail India Limited
Fellow Subsidiary	Redserv Business Solutions Private Limited
Key Management Personnel	Mr. E.H. Kasturi Rangan (Managing Director)
	Mr. N R Venkatesan, Chief Finance Officer (CFO) (till 30 May 2021)
	Mr. S Vijayaraghavan, Chief Finance Officer (CFO) (from 01 January 2022)
	Mr. M Balaji Prasad, Company Secretary (CS) (from 03 February 2022)

B. Transaction with key management personnel

i. Loan to Director

During an earlier year, 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 (interest rate is fixed at 9% p.a) which is repaid during the current year.

	Purpose	Year ended 31 March 2022	Year ended 31 March 2021
As at the beginning of the financial year		0.40	0.40
Given during the financial year	Housing loan	-	-
Repaid during the financial year		(0.40)	-
As at the end of the financial year		**-**	**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:

	Director	CEO	CFO	Total
For the year ended 31 March 2022				
Short term employee benefits	0.95	-	0.10	1.05
Post-employment defined benefits	-	-	-	*
Compensated absences	-	-	-	*
Stock Compensation expense	-	-	-	-
Sitting fees	-	-	-	-
Total	**0.95**	**-**	**0.10**	**1.05**

	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**	**1.72**

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.

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

38 Related parties (continued)

C. Related party transactions other than those with key management personnel

	Transaction value		Balance outstanding	
	Year ended 31 March 2022	Year ended 31 March 2021	As at 31 March 2022	As at 31 March 2021
Sale of goods and services				
RIL	93.31	68.75	14.50	14.01
Synnex Mauritius Limited	0.03	0.02	0.03	0.02
Rental Expenses				
RIL	4.25	4.27	0.57	0.78
Service charges				
RIL	0.81	0.97	-	-
Redserv Business Solutions Private Limited	0.88	0.78	0.08	0.09
Interest Expense				
RIL	0.59	0.85		-
Loans obtained				
RIL	-	42.00	-	20.00
Loans repaid				
RIL	20.00	22.00	-	-
Reimbursement of expenses paid				
RIL		0.16	-	-
Customer deposits				
Currents Technology Retail India Limited	-	-		0.03

39 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 2022	Year ended 31 March 2021
(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;	0.70	0.30
(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.	-	-

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

40 Share based payment transactions

A. Details of 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 2022	31 March 2021
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 2022	31 March 2021
Outstanding as at 1 April	541,250	1,004,750
Add: Granted during the year (Bonus issue)	77,335	-
Less: Exercise during the year	(432,465)	(239,850)
Less: Forfeited during the year	(34,650)	(223,650)
Outstanding as at 31 March	151,470	541,250
SARs exercisable at the end of the year	151,470	541,250

The SARs outstanding as at 31 March 2022 and 31 March 2021 have a base price / exercise price of INR 148.50 per SAR and a weighted average remaining contractual life of Nil (31 March 2021: Nil).

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 26B.

41 Other information

i) The Company has not traded or invested in Crypto currency or virtual currency during the current year.

ii) A) The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
2) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

B) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.

iv) The company does not have transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, the Company.

42 Subsequent events

There are no other significant subsequent events that have occurred after the reporting period till the date of these financial statements.

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

PRAVEEN KUMAR JAIN
Digitally signed by PRAVEEN KUMAR JAIN
Date: 2022.05.19 19:26:05 +05'30'

Praveen Kumar Jain
Partner
Membership No. 079893

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

ENNAPADAM HARIHARAN KASTURI RANGAN

Kasturi Rangan E.H
Managing Director
DIN: 01814089

SRINIVASAN VENKATA KRISHNAN
Digitally signed by SRINIVASAN VENKATA KRISHNAN
Date: 2022.05.19 18:30:16 +05'30'

Krishnan S.V
Director
DIN: 07518349

SOURIRAJAN VIJAYARAGHAVAN
Digitally signed by SOURIRAJAN VIJAYARAGHAVAN
Date: 2022.05.19 17:42:24 +05'30'

S Vijayaraghavan
Chief Financial Officer

MALAYALAM BALAJI PRASAD

Balaji Prasad M
Company Secretary

Place: Chennai
Date: 19 May 2022

Place: Chennai
Date: 19 May 2022

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Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Redserv Business Solutions Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Redserv Business Solutions Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2022, the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of 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 financial statements give the information required by the Companies Act, 2013 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 2022 and its profit, 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 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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 during the course of our 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.

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Responsibilities of Management 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is 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.

Those Board of Directors are also responsible for overseeing the company'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 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 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 entity's internal control.

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- 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 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India 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.

2. 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, statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the IndAS specified under Section 133 of the Act.

(e) on the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

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(f) The requirement to report on the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls does not arise in view of the notification number 464(E) dated 5th Jun 2015 and amended on 13th June 2017; and

(g) With respect to the other matters to be included in the Auditor's 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 does not have any pending litigations which would impact its financial position;

(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 management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(v) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(vi) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) and (v) above contain any material misstatement.

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(vii) The company has not declared or paid any dividend during financial year 2021-22.

for **R G Rajan Associates**
Chartered Accountants
Firm registration number 003429S
UDIN: 22025437AJHCNY2670

R G Rajan
Partner
Membership No. 025437
Place : Chennai
Date : 17-May-2022

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Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) Not applicable as the company does not have any intangible assets.

b. The Property, Plant and Equipment have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. Not applicable as the company does not have any immovable property.

d. Not applicable as the Company has not revalued any of its Property, Plant and Equipment during the year.

e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii. (a) Not applicable as the company does not hold any inventory.

(b) Not applicable as the Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets.

iii. During the year under report, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

iv. Not applicable as the Company has not given any loan or made investments or provided guarantee or security to which the provisions of section 185 and 186 of the Companies Act 2013 apply.

v. Not applicable as the Company has not accepted any deposits during the year.

vi. The Central Government of India 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. a. The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, GST, income-tax and other statutory dues with the appropriate authorities. According to the information and explanations given to us, there were no such dues as at the balance sheet date that remained unpaid for a period exceeding six months from the respective dates they became payable.

b. According to the information and explanations given to us, there are no dues of income tax / GST which have not been deposited with the appropriate authorities on account of any dispute.

R.G. RAJAN ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ NEW NO. 10, RADHAKRISHNAN ST., T.NAGAR, CHENNAI-17. FR No. 003429S

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viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The holding company, M/s Redington Gulf FZE, Dubai, in the past years, settled the obligations of the company. Such amounts were credited to a loan account which does not have any specific repayment schedule and no interest charged on such loan. The said loan was waived by the holding company during the current financial year. In view of it, we report that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The company does not have any subsidiaries, associates or joint ventures and hence reporting on clause 3(ix)(e) of the Order is not applicable.

(f) The company does not hold any securities in subsidiaries, associates or joint ventures and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) According to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) The establishment of whistle-blower mechanism is not mandatory for this company and hence, reporting under clause 3(xi)(c) of the Order is not applicable.

xii. Not applicable as the Company is not a Nidhi Company.

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 section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. (The provisions of section 177 of the Act are not applicable to the Company).

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xiv. The company has not met the threshold limit prescribed under section 138 of the Act and hence reporting under clause 3(xiv)(a) and (b) 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 him. 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. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

xvii. The Company has no incurred cash losses in the financial year covered by the audit and also in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. Reporting under this clause is not applicable as the Company has not met the threshold limit for the applicability of section 135.

for **R G Rajan Associates**
Chartered Accountants
Firm registration number 003429S
UDIN: 22025437AJHCNY2670

R G Rajan
Partner
Membership No. 025437
Place : Chennai
Date : 17-May-2022

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

Redserv Business Solutions Private Limited

(in ₹ thousands)

Balance Sheet as at	Note No.	March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	601	763
Right-of-use assets	5	-	-
Income tax assets (net)		147	119
Total non - current assets		**748**	**882**
Current assets			
Financial assets			
Trade receivables	6	1,983	1,397
Cash and cash equivalents	7	1,066	1,841
Others financial assets	8	342	223
Other current assets	9	463	167
Total current assets		**3,854**	**3,628**
Total assets		**4,602**	**4,510**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	1,000	1,000
Other equity		171	(15,401)
Total equity		**1,171**	**(14,401)**
Liabilities			
Non-current liabilities			
Provisions	11	598	174
Total non - current liabilities		**598**	**174**
Current liabilities			
Financial liabilities			
Borrowings	12	-	10,487
Trade payables	13		
(A) total outstanding dues of micro enterprises and small enterprises		11	65
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		568	478
Other financial liabilities	14	550	133
Other current liabilities	15	1,588	7,535
Provisions	11	116	39
Total current liabilities		**2,833**	**18,737**
Total equity and liabilities		**4,602**	**4,510**

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 : 17-May-22

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		For the year ended	
	Note No.	March 31, 2022	March 31, 2021
Revenue from operations	16	11,937	8,630
Other income	17	17,819	522
Total income		**29,756**	**9,152**
Expenses			
Employee benefits expense	18	11,429	3,760
Finance costs	19	-	226
Depreciation and amortisation expenses	4 & 5	324	2,975
Other expenses	20	2,281	2,282
Total Expenses		**14,034**	**9,243**
Profit / (loss) before tax		15,722	(91)
Tax expenses			
Current Tax		127	-
Deferred tax		-	-
Total tax expenses		127	-
Profit / (loss) for the period		**15,595**	**(91)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurements of defined benefit liability, net		(23)	-
Total other comprehensive income / (loss)		(23)	-
Total comprehensive income for the year		**15,572**	**(91)**
Earnings per equity share:			
Basic (in ₹)	21	155.95	(0.91)
Diluted (in ₹)		155.95	(0.91)
Weighted average equity shares used in computing earnings per equity share			
Basic	21	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 : 17-May-22

For and on behalf of the Board

Sriram Ganeshan
Director

Sunder S
Director

Redserv Business Solutions Private Limited
Statement of Changes in Equity

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

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

Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1,000	-	1,000

B. Other equity

Particulars	Reserves and surplus	Items of OCI	Total
	Retained earnings	Re-measurement of defined benefit liability	
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)**

Particulars	Reserves and surplus	Items of OCI	Total
	Retained earnings	Re-measurement of defined benefit liability	
Balance as at April 1, 2021	(15,401)	-	(15,401)
Profit / (loss) for the year	15,595	-	15,595
Other comprehensive income for the year	-	(23)	(23)
Balance as at March 31, 2022	**194**	**(23)**	**171**

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 : 17 May 2022

For and on behalf of the Board

Sriram Ganeshan
Director

Sunder S
Director

Redserv Business Solutions Private Limited
Statement of Cash Flows

(in ₹ thousands)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities			
Profit for the period		15,722	(91)
Adjustments for:			
Depreciation and amortization	4 & 5	324	2,975
Finance cost	19	-	226
Interest income	17	(7)	(171)
Gain on lease termination	17	-	(351)
Provision for employee benefits		500	213
		16,539	2,801
Changes in assets and liabilities			
Trade receivables		(585)	(1,397)
Other financial assets and other assets		(289)	2,879
Trade payables		36	(570)
Financial liabilities, other liabilities and provisions		(16,040)	443
		(339)	4,156
Income taxes paid		(274)	(119)
Net cash generated by operating activities		**(613)**	**4,037**
Cash flow from investing activities			
Expenditure on property, plant and equipment (net of sale proceeds)		(162)	(935)
Investment in equity		-	-
Net cash used in investing activities		**(162)**	**(935)**
Cash flow from financing activities			
Proceeds from allotment of shares		-	-
Proceeds from long-term borrowings		-	-
Proceeds from short-term borrowings		-	2,248
Payment of lease liabilities		-	(3,551)
Net cash used in financing activities		**-**	**(1,303)**
Net increase in cash and cash equivalents		(775)	1,799
Cash and cash equivalents at the beginning of the period		1,841	42
Cash and cash equivalents at the end of the period	7	**1,066**	**1,841**

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 : 17 May 2022

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 17, 2022.

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 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, disclosure of 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.

2.05 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 103 – Reference to Conceptual Framework - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

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Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or 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 effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Ind AS 109 – Annual improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

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 the 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.

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.

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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.

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 prevalent 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.

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.

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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 to known amounts of cash and which are subject to insignificant risk of changes in value.

3.07 Statement of Cash flows

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.

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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

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.

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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.

De-recognition

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.

Offsetting

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.

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.

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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.

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4. Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022 are as follows:

(in ₹ thousands)

Particulars	Computers and data processing units	Total
Gross carrying value		
As at April 01, 2021	935	**935**
Additions	162	**162**
Deletions	-	-
As at March 31, 2022	**1,097**	**1,097**
Depreciation		
As at April 01, 2021	172	**172**
For the period	324	**324**
Deductions / Adjustments during the year	-	-
As at March 31, 2022	**496**	**496**
Carrying value		
As at April 01, 2021	**763**	**763**
As at March 31, 2022	**601**	**601**

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

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.

5. Right of use assets

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022

(in ₹ thousands)

Particulars	Category of ROU assets	Total
	Building	
Gross carrying value		
As at April 01, 2021	-	-
Additions / Adjustments during the year	-	-
Deductions/ Retirement during the year	-	-
As at March 31, 2022	-	-
Depreciation		
As at April 01, 2021	-	-
For the period	-	-
Deductions / Adjustments during the year	-	-
As at March 31, 2022	-	-
Carrying value		
As at March 31, 2022	-	-

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	Total
	Building	
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	-	-

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

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6. Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Trace Receivable considered good - Unsecured	1,983	1,397
Less: Allowance for expected credit loss	-	-
	1,983	**1,397**

Trade receivables ageing schedule

for the year ended on March 31, 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
Considered good	606	1,377	-	-	-	-	1,983
Total	**606**	**1,377**	-	-	-	-	**1,983**

for the year ended on March 31, 2021

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
Considered good	505	892	-	-	-	-	1,397
Total	**505**	**892**	-	-	-	-	**1,397**

REDSEERV BUSINESS SOLUTIONS PVT. LTD. *

7. Cash and cash equivalents

Particulars	As at March 31,	
	2022	2021
Balances with banks:		
In current accounts	1,064	1,835
Cash on hand	2	6
	1,066	**1,841**

8. Other financial assets

Particulars	As at March 31,	
	2022	2021
Current		
Unbilled revenues #	244	193
Rental deposits paid	30	30
Other advance	68	-
Total current other financial assets	**342**	**223**

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

9. Other current assets

Particulars	As at March 31,	
	2022	2021
Advances other than capital advances		
Payment to vendors for supply of services	275	47
Others		
Prepaid insurance	188	120
	463	**167**

10. Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	**10,00,000**	**1,00,000**	**10,00,000**

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

Particulars	As at March 31,	
	2022	2021
Equity shares	No of shares	No of 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**

REDSERV BUSINESS SOLUTIONS PVT. LTD.

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,	
	2022	2021
Equity shares	No of shares	No of 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, 2022		As at March 31, 2021	
	No of shares	% held	No of shares	% held
Redington Gulf FZE	99,990	99.99%	99,990	99.99%

e. Shareholding of promoters

Name of the promoter	As at March 31, 2022		As at March 31, 2021		% change during the year
	No of shares	% of total shares	No of shares	% of total shares	
Redington Gulf FZE	99,990	99.99%	99,990	99.99%	0.00%
Cadensworth FZE	10	0.01%	10	0.01%	0.00%

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11. Provisions

Particulars	As at March 31,	
	2022	2021
Non-current		
Provision for employee benefits		
Provision for gratuity	165	26
Provision for leave salary	433	148
Total non-current provisions	**598**	**174**
Current		
Provision for employee benefits		
Provision for gratuity	0	0
Provision for leave salary	116	39
Total current provisions	**116**	**39**

12. Borrowings

Particulars	As at March 31,	
	2022	2021
Unsecured loans from related parties repayable on demand	-	10,487
	-	**10,487**

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13. 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, 2022	As at March 31, 2021
The principal amount remaining unpaid to any supplier as at the end of accounting year;	11	65
Interest due on the outstanding principal amount stated above to any supplier as at the end of	-	-
The amount of interest paid by the buyer under the Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the Act not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23.	-	-

Trade payables ageing schedule

for the year ended on March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	11	-	-	-	-	11
Others	379	9	-	-	180	568
Total	390	9	-	-	180	579

for the year ended on March 31, 2021

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	65	-	-	-	-	65
Others	289	9	-	180	-	478
Total	354	9	-	180	-	543

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14. Other financial liabilities

Particulars	As at March 31,	
	2022	2021
Others		
Salary payable	413	56
PF and ESI payable	95	72
Accrued expenses	42	5
	550	**133**

15. Other current liabilities

Particulars	As at March 31,	
	2022	2021
Other advances		
Advances received from customers	-	7,325
Others		
Withholding taxes and others	95	29
GST payable	1,493	181
	1,588	**7,535**

16. Revenue from operations

Particulars	Year ended March 31,	
	2022	2021
Sale of services		
Back office support services	8,802	7,846
Payroll and related processing services	3,135	784
	11,937	**8,630**

17. Other income

Particulars	Year ended March 31,	
	2022	2021
Interest income	7	171
Gain on Lease Termination	-	351
Liabilities Waived	17,812	-
	17,819	**522**

18. Employee benefits expense

Particulars	Year ended March 31,	
	2022	2021
Salaries & wages	9,318	3,016
Contribution to provident and other funds	625	248
Gratuity	116	26
Leave salary	547	188
Insurance - employees	608	142
Awards and rewards	15	-
Telephone reimbursements	199	142
	11,429	**3,760**

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19. Finance costs

Particulars	Year ended March 31,	
	2022	2021
Interest on lease payments	-	226
	-	**226**

20. Other expenses

Particulars	Year ended March 31,	
	2022	2021
Bank Charges	1	38
Miscellaneous expenses	3	-
Office Maintenance	40	344
Payments to auditor (Refer details below)	302	222
Power & water	-	150
Printing and Stationery	15	20
Professional Charges	488	306
Rates & Taxes	1,320	3
Rent - Building	60	742
Rent - Maintenance	-	33
Repairs & maintenance - others	18	8
Security charges	-	414
Travelling expenses	34	-
	2,281	**2,282**
Payments to auditor		
As auditor:		
For audit	264	222
In other capacity:		
Taxation matters	38	-
	302	222
Tax on the above (availed as input credit)	7	-
	309	**222**

21. Earnings per equity share

Particulars	2021-22	2020-21
Profit after tax	1,55,95,408	(90,720)
Weighted average number of equity shares (Basic)	1,00,000	1,00,000
Earnings per share- Basic ₹	155.95	(0.91)
Weighted average number of equity shares (Diluted)	1,00,000	1,00,000
Earnings per share-diluted ₹	155.95	(0.91)
Face Value per share in ₹	10	10

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22. Employee benefits

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	26	-
Interest cost	1	-
Current service cost	115	26
Remeasurements - Actuarial (gains)/ losses	23	-
Benefits paid directly by the company	-	-
Obligations at year end	165	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	(165)	(26)
Fair Value of Plan Assets on the accounting date	-	-
Unrecognized Actuarial (gain) / loss	-	-
Net Asset / (liability) recognised in Balance Sheet	(165)	(26)
Principal Actuarial Assumptions		
Interest (Discount) Rate (Liabilities)	7.24%	5.47%
Interest Rate (Rate of Return on Assets)	0.00%	0.00%
Salary escalation Rate (per annum)	10.00%	10.00%
Resignations Rate (per annum)	25.00%	25.00%
Mortality	IALM (2012-14)	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.

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	1	-
Current Service Cost	115	26
Net gratuity cost	116	26

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

Particulars	Year ended March 31,	
	2021	2020
Remeasurement of defined benefit liability		
Actuarial gain/loss recognized in OCI:	23	-

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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 (DBO) shown below:

Particulars	% increase in defined benefit obligation	Liability	Changes in defined benefit obligation
Discount rate + 100 basis points	-9.56%	149	(16)
Discount rate - 100 basis points	11.03%	183	18
Salary growth + 100 basis points	10.39%	182	17
Salary growth - 100 basis points	-9.20%	150	(15)
Attrition rate + 100 basis points	-5.18%	156	(9)
Attrition rate - 100 basis points	5.54%	174	9
Mortality rate - 10% up	-0.08%	165	(0)
Effect of no ceiling	0.00%	165	-

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	Discounted value	Undiscounted value
Year (I)	0	0
Year (II)	0	0
Year (III)	0	0
Year (IV)	0	1
Year (V)	0	1
6 - 10 years	39	76
Above 10 years	124	317

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23. 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.

24. Contingent liabilities & commitments

Particulars	As at March 31,	
	2022	2021
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	-	-

25. Leases

The following is the movement in lease liabilities:

Particulars	As at March 31,	
	2022	2021
Balance at the beginning	-	5,086
Additions	-	-
Finance cost accrued during the period	-	226
Deletions	-	1,761
Payment of lease liabilities	-	3,551
Translation differences	-	-
Balance at the end	-	-

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

Particulars	As at March 31,	
	2022	2021
Within one year of the balance sheet date	-	-
Due in a period between one year and five years	-	-
Due after five years		-

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26. 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, 2022			
		FVTPL	FVOCI	Amortised cost	Total
Financial assets					
Trade receivables	6	-	-	1,983	1,983
Cash and cash equivalents	7	-	-	1,066	1,066
Other financial assets	8	-	-	342	342
Total		-	-	**3,390**	**3,390**
Financial liabilities					
Trade payables	13	-	-	579	579
Other financial liabilities	14	-	-	550	550
Total		-	-	**1,128**	**1,128**

Particulars	Note reference	Carrying amount as at March 31, 2021			
		FVTPL	FVOCI	Amortised cost	Total
Financial assets					
Trade receivables	6	-	-	1,397	1,397
Cash and cash equivalents	7			1,841	1,841
Other financial assets	8	-	-	223	223
Total		-	-	**3,461**	**3,461**
Financial liabilities					
Borrowings	12			10,487	10,487
Trade payables	13	-	-	543	543
Other financial liabilities	14	-	-	133	133
Total		-	-	**11,163**	**11,163**

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.

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Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available. The maximum exposure to the credit risk at the reporting date is detailed in the table here below.

Particulars	**As at March 31,**	
	2022	**2021**
Rental deposits	30	30
Unbilled revenue	245	193
Trade receivables	1,983	1,397

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents.

As at March 31, 2022 the company had a working capital of Rs.10.21 lakhs including cash and cash equivalents of Rs. 10.66 lakhs. As at March 31, 2021 the company had a working capital of Rs.(151.09) lakhs including cash and cash equivalents of Rs. 18.41 lakhs.

As at March 31, 2022, the outstanding gratuity and compensated absences were Rs.1.65 lakhs (for March 31, 2021, Rs.0.26 lakhs)and Rs.5.48 lakhs (for March 31, 2021, Rs.1.88 lakhs), 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, 2022 and March 31, 2021, the amounts of outstanding advance were Rs.Nil and Rs.73.24 lakhs respectively.

The company's borrowing from its parent as of March 31, 2022 is Rs.Nil (for March 31, 2021, Rs.104.87 Lakhs) and is repayable in INR, hence there is no market risk. (Refer note no 30).

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27. Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	31-Mar-2022	31-Mar-2021	Variance
Current ratio	Current assets	Current liabilities	1.36	0.19	602.43% @
Debt-Equity Ratio	Total debt	Shareholder's equity	-	(0.73)	-100% @
Return on Equity Ratio	Net profit after tax	Average shareholder's equity	(2.36)	0.01	(2.36)
Trade receivables turnover ratio	Revenue	Average trade receivable	7.06	6.18	14.36%
Trade payables turnover ratio	Purchase of services and other expenses	Average trade payables	3.55	8.65	-59.03% #
Net capital turnover ratio	Revenue	Working capital	11.70	(0.57)	-2148% @
Net profit ratio	Net profit	Revenue	130.65%	-1.05%	132% @
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed	1342.32%	-3.46%	1345.78% @

@ - Waiver of advances received from and loan due to the holding company in FY 21-22 for Rs.1.78 crores results in the variance in excess of 25%.

- In FY 20-21, leased rent in respect of leased premises in Bangalore and related expenses incurred till Dec-2020 was the main reason for the variance in excess of 25%

Debt-equity ratio is not computable for FY 21-22 in the absence of debt.

Debt service coverage ratio is not applicable because no interest has been paid.

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28. 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,	
	2022	2021
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
Revenue transactions		
Sale of services		
ProConnect Supply Chain Solutions Limited	8,802	7,846
Liabilities waived		
Redington Gulf FZE, Dubai	17,812	
Closing balances		
Trade receivables		
ProConnect Supply Chain Solutions Limited	790	892
Borrowings		
Redington Gulf FZE, Dubai	-	10,487
Other current liabilities		
Redington Gulf FZE, Dubai	-	7,325

29. Income taxes

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars	Year ended March 31,	
	2022	2021
Profit before income taxes	15,722	(91)
Enacted tax rates in India	25.17%	28.60%
Computed expected tax expense	3,957	-
Effect of non-deductible expense	258	-
Effect of deduction under Income Tax Act	(4,089)	-
Income tax expense recognized in profit and loss	127	-

REDSERV BUSINESS SOLUTIONS PVT. LTD.

The details of income tax assets and income tax liabilities as at March 31, 2022 and March 31, 2021:

Particulars	Year ended March 31,	
	2022	2021
Income tax assets	274	119
Current income tax liabilities	127	-
Net current income tax asset/ (liability) at the end	148	119

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-22	As at 31-Mar-21
Property, plant and equipment	(39)	(52)
Tax losses	-	3,823
Provision for employee benefits	180	56
Others	-	8
Total	**140**	**3,835**

Entire deferred income tax for the year ended March 31, 2022 and March 31, 2021, relates to origination and reversal of temporary differences.

30. RBI ordered 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. The total amount of such direct payments as of 31-Mar-2022 is Rs.Nil *(for 31-Mar-21 - Rs.1,04,87,149*).

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-2022 is Rs.Nil *(for 31-Mar-2021 - Rs.73,24,503),* 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.

During the year, at the request of the company, the holding company, M/s.Redington Gulf FZE, Dubai, has waived the advances as well as the loan totaling to Rs.1,78,11,652. The said amount is disclosed under other income (note no.17).

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

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

R.G.Rajan
Partner
Membership Number 025437

Place : Chennai
Date : 17 May 2022

For and on behalf of the Board

Sriram Ganeshan
Director

Sunder S
Director

REDSERV BUSINESS SOLUTIONS PVT. LTD.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Redserv Global Solutions Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of Redserv Global Solutions Limited (the Company), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the period commencing from January 21, 2022 to March 31, 2022, and accompanying notes to the financial statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "Special Purpose Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 , and loss, 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose 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 Special Purpose Financial Statements, 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.

Basis of Accounting and Restriction on Distribution and use

Without modifying our opinion, we draw attention to Note 02 to the Special Purpose Financial Statements, which describes the basis of accounting. These special purpose financial statements are prepared to assist the Parent entity in consolidation of group financial statements. As a result, these special purpose financial statements may not be suitable for any other purposes.

Our report is intended solely for the use of the Board and should not be distributed to or used by any other parties. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Responsibilities of Management and Those charged with Governance for Special Purpose Financial Statements

Management is responsible for the preparation of these Special Purpose Financial Statements in accordance with the recognition and measurement principles laid down under Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting principles generally accepted in India; and this includes design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of Special Purpose Financial Statement that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

Those Charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Special Purpose Financial Statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special Purpose Financial Statements.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha

MSKA & ASSOCIATES CHENNAI Chartered Accountants

Geetha Jeyakumar
Partner
Membership No.029409
UDIN: 22029409AJDQDH8702

Place: Chennai
Date: May 17, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS OF REDSERV GLOBAL SOLUTIONS LIMITED

Auditor's Responsibilities for the Audit of the Special Purpose 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 Special Purpose 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 expressing our opinion on whether the company has internal financial controls with reference to Special Purpose 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 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 Special Purpose 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 Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose 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.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES CHENNAI Chartered Accountants

Geetha Jeyakumar
Partner
Membership No.029409
UDIN: 22029409AJDQDH8702

Place: Chennai
Date: May 17, 2022

Redserv Global Solutions Limited
Special Purpose Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022
ASSETS		
Non-current assets		
Right-of-use assets	4	631.56
Other financial assets	5	42.02
Deferred tax assets (net)	6	3.13
Total non-current assets		**676.71**
Current assets		
Financial assets		
Trade receivables	7	9.84
Cash and cash equivalents	8	609.85
Other current assets	9	1.09
Total current assets		**620.78**
Total assets		**1,297.49**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	10	700.00
Other equity	11	(9.32)
Total equity		**690.68**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	12	558.97
Total non-current liabilities		**558.97**
Current liabilities		
Financial liabilities		
Borrowings		
Lease liabilities	12	45.51
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	13	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1.44
Other financial liabilities	14	0.89
Other current liabilities		-
Provisions		
Total current liabilities		**47.84**
Total equity and liabilities		**1,297.49**
Check		

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Geetha Jeyakumar
Partner

Membership No.: 029409
Place: Chennai

for and on behalf of the Board of Directors

Rajiv Srivastava
Director
(DIN-03568897)

S V Krishnan
Director
(DIN-07518349)

Place: Chennai
Date: 17th May, 2022

Redserv Global Solutions Limited

Special Purpose Statement of Profit and Loss for the period January 21, 2022 to March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	Period Ended March 31, 2022
Revenue from operations	15	-
Other income	16	10.67
Total income		**10.67**
Expenses		
Finance costs	17	3.65
Depreciation and amortisation expense	18	6.78
Other expenses	19	12.69
Total expenses		**23.12**
(Loss) / Profit before tax		**(12.45)**
Tax expense		
Current tax		-
Deferred tax		3.13
Total tax expense	6	**3.13**
(Loss) / Profit for the period (A)		**(9.32)**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit liability		
Income tax relating to the above		
Net other comprehensive income that will not be reclassified to profit or loss		-
Items that will be reclassified subsequently to profit or loss		
Exchange differences in translating financial statements of foreign operation		
Income tax relating to the above		
Net other comprehensive income that will be reclassified to profit or loss		-
Total other comprehensive income (B)		-
Total comprehensive income for the year (A+B) Comprising (Loss)/ Profit and Other Comprehensive Income for the year		**(9.32)**
Earnings per equity share: (Face value ₹ 10 each)		
Basic (in ₹)	20	(0.13)
Diluted (in ₹)		(0.13)

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Geetha

Geetha Jeyakumar
Partner

Membership No.: 029409
Place: Chennai

MSKA & ASSOCIATES CHENNAI Chartered Accountants

for **and on behalf of the Board of Directors**

Rajiv Srivastava S.V. Krishnan

Rajiv Srivastava
Director
(DIN-03568897)

S V Krishnan
Director
(DIN-07518349)

REDSERV GLOBAL SOLUTIONS LIMITED

Place: Chennai
Date: 17th May, 2022

Redserv Global Solutions Limited
Statement of Cash Flows for the period January 21, 2022 to March 31, 2022

(₹ in Lakhs)

Particulars	**Period Ended March 31, 2022**
A. Cash flow from operating activities:	
Profit for the year after tax	**(9.32)**
Adjustments for:	
- Income tax expense recognised in profit and loss	(3.13)
- Depreciation and amortisation expense	6.78
- Finance costs	3.65
- Interest income	(1.33)
- Interest income on security deposit	(0.23)
Operating profit / (loss) before working capital changes	**(3.58)**
(Increase)/Decrease in trade receivables	(9.84)
(Increase)/Decrease in other assets	(73.18)
Increase/(Decrease) in trade payables	1.44
Increase/(Decrease) in other liabilities	0.89
Cash generated from operations	**(84.27)**
Income taxes paid (net)	-
Net cash used in operating activities	**(84.27)**
B. Cash flow from investing activities:	
Interest received	1.33
	-
Net cash generated from investing activities	**1.33**
C. Cash flow from financing activities:	
Proceeds from allotment of shares	700.00
Payment of lease liabilities	(3.56)
Finance costs paid	(3.65)
Net cash generated in financing activities	**692.79**
Net increase in cash and cash equivalents	**609.85**
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	**609.85**
Reconciliation of cash and cash equivalents	
Cash and cash equivalents at the end of the period as per Balance sheet	**609.85**
Cash and cash equivalents at the end of the period in the statement of cash flows	**609.85**
Components of cash and cash equivalents	
Balances with Banks	
In current accounts	211.85
In Deposit account (maturing within 3 months)	398.00
Cash on hand	-
Cash and cash equivalents at the end of the period in the statement of cash flows	**609.85**

See accompanying notes forming part of standalone financial statements

As per our report of even date attached
for **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Geethak

Geetha Jeyakumar
Partner

Membership No.: 029409
Place: Chennai

MSKA & ASSOCIATES CHENNAI Chartered Accountants

Place: Chennai
Date: 17th May, 2022

for and on behalf of the Board of Directors

Rajiv Srivastava
Director
(DIN-03568897)

S V Krishnan
Director
(DIN-07518349)

REDSERV GLOBAL SOLUTIONS LIMITED

Redserv Global Solutions Limited

Statement of Changes in Equity for the period January 21, 2022 to March 31, 2022

(₹ in Lakhs)

Particulars	Equity share capital	Other Equity			Total equity
		Reserves and surplus			
		Securities premium	General reserve	Surplus in the statement of profit and loss	
Balance at January 21, 2022					
Add: Shares allotted during the period January 21, 2022 to March 31, 2022	700.00				700.00
Add: Profit for the period January 21, 2022 to March 31, 2022				(9.32)	(9.32)
Total comprehensive income for the period					
Balance at March 31, 2022	**700.00**	-	-	**(9.32)**	**690.68**

As per our report of even date attached

for MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W

Geetha

Geetha Jeyakumar

Partner

Membership No.: 029409

Place: Chennai

Place: Chennai

Date: 17th May, 2022

MSKA & ASSOCIATES CHENNAI Chartered Accountants

for and on behalf of the Board of Directors

Rajiv Srivastava

Rajiv Srivastava

Director

(DIN-03568897)

S V Krishnan

S V Krishnan

Director

(DIN-07518349)

REDSERV GLOBAL SOLUTIONS LIMITED

Redserv Global Solutions Limited

Notes to the Special Purpose financial statements for the period ended March 31, 2022

1. Company overview

Redserv Global Solutions Limited ("the Company"), incorporated on January 21, 2022, is a wholly owned subsidiary of Redington (India) Limited ("Redington"), incorporated under the provisions of the Companies Act, 2013 and has its registered office at Redington House, Centre Point, Plot No. 11 (SP), Thiru Vi Ka Industrial Estate, Guindy, Chennai 600 032, Tamil Nadu, India. The Company is engaged in the business of Business Process Outsourcing services & Knowledge Process Outsourcing services and is yet to commence business as on the reporting date.

2. Basis of preparation of standalone financial statements

2. a. Statement of compliance

The special purpose financial statements of the Company 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 the Companies (Indian Accounting Standards) Rules, as amended from time to time.

The special purpose financial statements have been prepared for the purpose of consolidation of its parent entity (Redington India Limited) and not for the purpose of annually filing its returns and reports with Registrar of Companies. Also, as this is the first year of operations there are no comparative financial information given.

2. b. Functional currency and presentation currency

The standalone financial statements are presented in 'Indian Rupees' (₹), which is the currency of the primary economic environment in which the Company operates (the functional currency).

All financial information has been rounded-off to the nearest Lakhs, unless otherwise indicated.

2. c. Basis of measurement

The standalone financial statements have been prepared on accrual basis under the historical cost convention except for:

Items	Measurement basis
Certain financial assets and liabilities	Fair value

2. d. Use of estimates and judgements

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

The management believes that these estimates, judgements, and assumptions used in the preparation of the standalone financial statements are prudent and reasonable.

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

Key sources of judgement and estimation uncertainties at the date of the financial statements, which may cause a material adjustment to income and expenditure or the carrying amounts of assets and liabilities, are in respect of revenue recognition, useful lives of property, plant and equipment, income taxes, and impairment of financial assets have been discussed here.

i. Revenue recognition

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, by the parties to the contract. The parties to contract are committed to perform their respective obligations under the contract. Revenue is recognized based on the Company's assessment of the services in accordance with the terms of the contract.

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ii. Taxation

Significant judgements are involved in determining the provision for income taxes, deferred tax and contingencies. Judgments are also involved on whether the tax positions are probable of being sustained in tax assessments and in determining the likelihood and magnitude of outflow of resources.
Significant estimate is involved in future profit availability for set off of current year losses for which Deferred Tax is recognized.

iii. Impairment of financial assets

The Company creates provision in respect of changes in expected credit losses at each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Company has adopted a model as permitted under Ind AS 109 for measuring lifetime expected credit loss allowance for trade receivables and other financial assets. Expected Credit Losses is determined as the probability-weighted estimate of credit losses based on the historical credit loss experience and adjusted for forward looking information.

2. e. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no new standards or amendments to existing standards which are applicable from April 1, 2022.

3. Summary of significant accounting policies

a. Leases

As a lessee

At inception of a contract, the Company assesses whether 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.

The Company recognizes 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 re-measurements 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 lease liability is measured at amortised cost using the Risk-free rate. It is re-measured 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 re-measured 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.

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.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

Short-term leases

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

b. Revenue recognition

The company derives its revenues primarily from business process management services and back-office support services. The company operates on a cost-plus model and revenue is recognized over a period of time and in the accounting period the services are performed. Company is yet to commence its operations and enter into a contract.

Revenue is measured based on the consideration, received or receivable as specified in the contract with the customer, taking into account contractually defined terms of payment. Revenue also excludes taxes collected from customers. Revenue is recognized as amounts become billable in accordance with contract terms.

When the company receives advances for its services, such amounts are reflected as advance received from customers until all conditions for revenue recognition are met. When the related services are performed, the advance becomes revenue to the extent the services are rendered.

c. Other income

Interest income is recognized based on accrual basis.

d. Current and deferred tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

i. Current tax comprises of 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 current tax for the year is determined in accordance with the applicable tax rates which 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 the tax rates enacted or substantively enacted by the reporting date under the provisions of the Income Tax Act, 1961. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

ii. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the corresponding amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized 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.

iii. Deferred tax is not recognized for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction.

iv. Deferred tax assets – unrecognized or recognized are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

v. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

vi. Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same taxation authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

e. Provisions and contingent liabilities

Provisions are recognized 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.

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Contingent liability is disclosed for all:

i. possible obligations that arise 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)

ii. 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.

f. 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 value.

Other bank balances comprise amounts which are restricted in nature, held as margin money against guarantee and balances held in unpaid dividend bank accounts.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of operating cash receipts or payments and items 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.

g. Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at average market value of the outstanding shares. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

h. Fair value measurement

Some of the Company's accounting policies or disclosures require the measurement of fair value for both financial and 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. 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.

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 as 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 the 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, then 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.

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i. **Financial instruments**

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized 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 recognized 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 profit and loss.

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. 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.

iv. Financial assets at FVTPL – These are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized 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 losses are recognized in statement of profit and loss.

v. 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 on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of 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 recognized in profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.

De-recognition

Financial assets

The Company de-recognizes 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.

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If the Company enters into transactions whereby it transfers assets recognized 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 derecognized.

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 recognized as gain or loss in the statement of profit and loss.

Financial liabilities

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

The Company also de-recognizes 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 recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in statement of profit and loss.

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.

Impairment of financial assets

The Company recognizes loss allowances for expected credit loss ("ECL") on financial assets measured at amortised cost. At each reporting date, the Company assesses whether such 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.

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 expected credit losses 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:

Expected credit losses are a probability-weighted estimate of credit losses.

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

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

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4. Right-of-use assets

The Company leases assets in the nature of immovable property. The lease is for a period of 7 years and 10 months.

The summary of the movement of right-of-use assets for the period ended March 31, 2022, is given below:

₹ in Lakhs

Particulars	**March 31, 2022**
Balance at January 21, 2022	-
Additions to right-of-use assets	638.34
Depreciation charge for the period	(6.78)
De-recognition of right-of-use assets	-
Balance at March 31, 2022	**631.56**

5. Other financial assets – non-current

₹ in Lakhs

Particulars	**March 31, 2022**
Unsecured, considered good	
Security deposits	42.02

6. Deferred tax assets (net)

Recognized deferred tax assets (net)

₹ in Lakhs

Particulars	**March 31, 2022**
Deferred Tax Assets/ (Deferred Tax Liabilities)	
Losses for the period	0.52
Preliminary expenses	1.86
Leases (net)	(6.82)
Security Deposit	7.57
Total	**3.13**

Tax expense recognized during the period

₹ in Lakhs

Particulars	**As at March 31, 2022**	
	Recognized in the statement of profit and loss	**Recognized in the other comprehen-sive income**
Current tax	-	-
Deferred tax	(3.13)	-
Total tax expenses	**(3.13)**	-

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During the period, the Company elected to exercise the option of reduced income-tax rates permitted under section 115BAA of the Income tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

7. Trade receivables

₹ in Lakhs

Particulars	March 31, 2022
Unsecured	
Considered good	9.84
Total	**9.84**

Ageing of trade receivables

The ageing has been derived from the due date of the transaction, where there is no due date for payment, date of transaction has been considered.

March 31, 2022 ₹ in Lakhs

Particulars	< 6 months	6 months – 1 year	1 – 2 years	2 – 3 years	> 3 years	Total
i) Undisputed – considered good	9.84	-	-	-	-	9.84
ii) Undisputed – considered doubtful/ credit impaired	-	-	-	-	-	-
iii) Disputed – considered good	-	-	-	-	-	-
iv) Disputed – considered doubtful/ credit impaired	-	-	-	-	-	-
Sub-total	**9.84**	-	-	-	-	**9.84**
Less: Loss allowance						-
Total						**9.84**

8. Cash and cash equivalents

₹ in Lakhs

Particulars	March 31, 2022
Cash on hand	-
Balance in current account	211.85
In deposit account (maturing within 3 months)	398.00
Cash and cash equivalents as per Balance Sheet	**609.85**
Cash and cash equivalents as per the statement of cash flows	**609.85**

9. Other current assets

₹ in Lakhs

Particulars	March 31, 2022
Unsecured, considered good	
Receivable from Government authorities	1.09
Total	**1.09**

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10. Equity share capital

The Company has only one class of shares referred to as equity shares having a par value of ₹10/-

₹ in Lakhs

Particulars	March 31, 2022
Authorised capital 1,00,00,000 Equity Shares of Rs.10/- each	1,000.00
Issued, subscribed, and fully paid up 70,00,000 Equity Shares of Rs.10/- each fully paid up	700.00

Reconciliation of the number of shares outstanding and amount of share capital at the beginning and at the end of the period

Particulars	As at March 31, 2022	
	No of shares	₹ in Lakhs
At the beginning of the period	-	-
Add: Allotment of shares during the period	70,00,000	700.00
Outstanding at the end of the period	**70,00,000**	**700.00**

Terms/rights attached to equity shares

Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees

Details of shares held by shareholder holding more than 5 % of the paid-up equity capital

Particulars	March 31, 2022	
	No of shares held	% of Share holding
Redington India Limited (including its nominees)	70,00,000	100

Statement showing shares held by promoters

Promoter name	March 31, 2022		
	No. Of Shares	% of total shares	% Change during the period
Redington India Limited (including its nominees)	70,00,000	100	-

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11. Other equity

Surplus in the statement of profit and loss:

₹ in Lakhs

Particulars	March 31, 2022
Opening balance	-
Add: (Loss) / Profit for the period	(9.32)
Balance at the end of the period	**(9.32)**

12. Lease liabilities

The company recognized lease liabilities measured at the present value of remaining lease payments.

₹ in Lakhs

Particulars	March 31, 2022
Current	45.51
Non-current	558.97
Total	**604.48**

Also refer Note 21

13. Trade Payables

₹ in Lakhs

Particulars	March 31, 2022
Unbilled dues:	
(a) Total outstanding dues of micro enterprises and small enterprises	-
Total (a)	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	
i. Trade payables towards related parties	-
ii. Trade payables towards others	1.44
Total (b)	**1.44**
Total (a+b)	**1.44**

Ageing of Trade Payables

March 31, 2022

₹ in Lakhs

Particulars	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
Unbilled dues					
a. MSME	-	-	-	-	-
b. Others	1.44	-	-	-	1.44
c. Disputed dues - MSME	-	-	-	-	-
d. Disputed dues - Others	-	-	-	-	-
Total	**1.44**	-	-	-	**1.44**

14. Other current liabilities

₹ in Lakhs

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Particulars	March 31, 2022
Statutory liabilities payable	0.89
Total	**0.89**

15. Revenue from operations

₹ in Lakhs

Particulars	Period ended March 31, 2022
Sale of products	-
Sale of services	-
Other operating revenue	-
Total	**-**

16. Other income

₹ in Lakhs

Particulars	Period ended March 31, 2022
a) Interest Income on financial instrument designated other than at Fair value through P&L:-	
i) Security Deposit	0.23
b) Interest income from Fixed Deposits	1.33
c) Other non-operating income	9.11
Total	**10.67**

17. Finance costs

₹ in Lakhs

Particulars	Period ended March 31, 2022
Interest on lease liabilities	3.65
Total	**3.65**

18. Depreciation and amortisation expense

₹ in Lakhs

Particulars	Period ended March 31, 2022
Amortisation on ROU Asset	6.78
Total	**6.78**

19. Other expenses

₹ in Lakhs

Particulars	Period ended March 31, 2022
Lease Rent	0.15
Repairs and Maintenance on Building	1.63
Preliminary expenses	9.22
Rates and taxes	0.12
Auditors' remuneration (refer details below)	1.30
Other expenses	0.27
Total	**12.69**

Auditor's Remuneration

₹ in Lakhs

Particulars	Period ended March 31, 2022
As auditor	
Audit fees towards statutory audit and limited reviews	-
Tax audit	-
In other capacities	-
Certification fees	-
Others – Special Purpose Financial Statements	1.30
Re-imbursement of expenses	-
Total remuneration	**1.30**

20. Earnings per equity share

Particulars	Period ended March 31, 2022
Profit after tax (₹ in Lakhs)	(9.32)
Weighted average number of equity shares (Basic)	70,00,000
Earnings per share- Basic ₹	**(0.13)**
Weighted average number of equity shares (Diluted)	70,00,000
Earnings per share- Diluted ₹	**(0.13)**
Face Value per share in ₹	10/-

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21. Lease expenses

i. Amounts recognized in Balance Sheet

₹ in Lakhs

Particulars	As at March 31, 2022
Right-of-use assets – Immovable property	631.56
Lease liabilities	
Non-current	558.97
Current	45.51

ii. Changes in the Lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2022
Category of Right-of-use assets – Immovable property	
Balance as at January 21, 2022	-
Recognition of on account of transition to Ind AS 116	-
Additions	608.04
Interest on Lease Liabilities	3.65
Lease Payments	(7.21)
Balance as at March 31, 2022	**604.48**

iii. Maturity analysis of lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2022
Less than one year	45.51
One to five years	269.67
More than five years	289.30
Total	**604.48**

iv. Amounts recognized in statement of Profit and Loss account

₹ in Lakhs

Particulars	Period ended March 31, 2022
Interest on lease liabilities (Included as part of finance cost)	3.65
Depreciation of right-of-use assets (Included as part of depreciation and amortization expenses)	6.47

v. Amounts recognized in statement of cash flows

₹ in Lakhs

Particulars	Period ended March 31, 2022
Total cash outflow for leases	(7.21)

22. Financial instruments

Accounting classifications and fair values

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

₹ in Lakhs

March 31, 2022		Carrying amount		
Particulars	**Note reference**	**Other financial assets-amortised cost**	**FVTPL – others**	**Total carrying amount**
Financial assets not measured at fair value				
Trade receivables	Note 7	9.84	-	9.84
Cash and cash equivalents	Note 8	609.85	-	609.85
Financial assets measured at fair value				
Security Deposit	Note 5	-	42.02	42.02
Total		**619.69**	**42.02**	**661.71**
Financial liabilities not measured at fair value				
Lease liabilities	Note 12	604.48	-	604.48
Trade Payables	Note 13	1.44	-	1.44
Total		**605.92**	-	**605.92**

The following table shows the fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

Particulars	₹ in Lakhs March 31, 2022
Financial assets	
Security Deposit (Level 2)	42.02

23. Financial risk management

The Company's activities expose it to financial risks such as liquidity risk. The Company's senior management oversees the

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management of these risks. The senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Company's policies and risk objectives.

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 has built an appropriate liquidity risk management framework for its short, medium, and long-term funding and liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and un-availed borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial liabilities.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities:

₹ in Lakhs

Particulars of financial liabilities	**March 31, 2022**	
	Carrying amount	**Cash outflow**
Non-derivative financial liabilities		
> 1 year		
Lease liabilities	558.97	716.76
< 1year		
Lease liabilities	45.51	87.58

24. Financial ratios

Particulars	**Period ended March 31, 2022**
Current ratio	12.98
Debt-equity ratio	NA
Debt service coverage ratio	NA
Inventory turnover ratio	NA
Trade receivables turnover ratio	NA
Trade payables turnover ratio	NA
Net capital turnover ratio	NA
Net profit %	NA
Return on equity %	(0.01)
Return on capital employed (Net of cash) %	(0.15)
Return on capital employed (Gross) %	(0.02)
Return on investment %	(0.01)

All the above ratios have been computed after eliminating one-offs such as dividend income and gain on sale of subsidiary.

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Formulas for above ratios:

a. Current ratio = Current assets/ current liabilities
b. Debt equity ratio = (Total Debt - Cash and cash equivalents)/ (Total equity - Investments in subsidiaries)
c. Debt service coverage ratio = (Profit before tax + Interest expenses) / (Interest expenses + Repayment of long-term loans during the year)
d. Inventory turnover ratio = Revenue from operations/ Average inventories
e. Trade receivables turnover ratio = Revenue from operations/ Average trade receivables
f. Trade payables turnover ratio = Revenue from operations/ Average trade payables
g. Net capital turnover ratio = Revenue from operations/ (Average inventories + Average trade receivables – Average trade payables)
h. Net profit % = Net profit/ Revenue from operations
i. Return on equity % = Profit after tax/ (Average equity – Investments in subsidiaries)

j. Return on capital employed (Net of cash) % = (Profit before tax + Interest expenses)/ (Closing capital employed – cash and cash equivalents) where Capital employed = Equity + Borrowings.
k. Return on capital employed (Gross) % = (Profit before tax + Interest expenses)/ Closing capital employed
l. Return on investment % = Net operating profit after tax/ Average capital employed

25. Related party disclosures (As per Ind AS 24 "*Related party disclosures*")

a. Names of the related parties

Holding company	Redington (India) Limited*

** Represents related parties with whom transactions have taken place during the period.*

b. Nature of Transactions

₹ in Lakhs

Nature of Transactions	**Period ended March 31, 2022**
	Holding Company
Redington (India) Limited	
Other non-operating income	9.11
Lease Rent – expenses	0.15
Amount receivable at period end	9.84

26. These standalone financial statements were approved for issue by the Board of Directors on 17th May, 2022.

for **and on behalf of the Board of Directors**

Rajiv Srivastava
Director
(DIN-03568897)

S V Krishnan
Director
(DIN-07518349)