

REDINGTON (INDIA) LIMITED
ANNUAL REPORT 2019-20

DE-RISKING THE CONTINUUM



To view this report online, visit

WWW.REDINGTONGROUP.COM

INDEX

Forward-Looking Statement

In this annual report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties, inaccurate assumptions and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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DE-RISKING THE CONTINUUM

Our world keeps changing by the minute. A new world order is continuously evolving due to impacts caused by rapid developments in technology, breakthroughs in connectivity & communication, and shifting consumer preferences.

What worked well yesterday may not suffice for tomorrow. One needs to constantly predict, prepare, adapt, monitor and do necessary course corrections. De-risking the Company & its business from the impact of expected, the unexpected and at times, even from the unthinkable, assumes paramount importance. Doing so with agility, precision and repetitiveness enables successful businesses to protect, sustain and enhance stakeholder value.

At Redington, **De-risking the Continuum** has been the way of life ever since we began our business journey in 1993. Building an organization that is future-proof, is safeguarded in perpetuity and one that maintains its "Continuity" in delivering value, is the cornerstone of all our endeavors. **De-risking the Continuum** has

The foundation of our De-risking strategy has been diversification – across the technology bouquet (products, solutions, and services) and across geographies. This is further enhanced by a differentiated approach to our portfolio spectrum – sweating the core business, scaling up emerging businesses and expanding the margin-accretive layer of our services offerings.

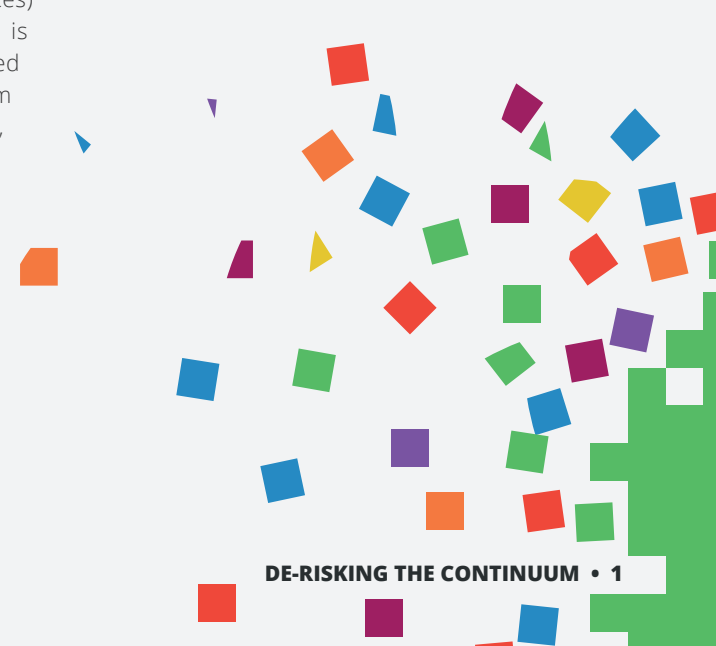
As 2020 dawned, Redington's philosophy of "**De-risking the Continuum**" was confronted with an unprecedented and unimaginable challenge – COVID-19.

therefore determined all our actions till date and will continue to do so.

Fundamental to your Company's longevity and continuity has been its ability to adapt to the times; morphing from a pure-play box distributor of the nineties to a modern, technology enabled, digitally empowered and integrated IT & Communications Solution Provider, bringing offerings from 200+ blue-riband global brands, under one roof. Your Company is a unique amalgamation of bouquet of offerings and skills that have made Redington, the "Distributor of Choice" for its business partners.

Identifying critical components of the challenge was priority no. 1 and the Leadership Team quickly identified them and chalked out a clear and unambiguous action plan to address them. These were **Cash Flow, Collection, Cost, Customer, Contract, Control, and Communication**. An unrelenting focus on these seven elements have allowed us to navigate the most sensitive, initial period of the crisis and protect stakeholders' value to a significant extent.

No calamity lasts forever. Your Company will emerge stronger to access the business opportunities that are bound to present themselves, as human beings and organizations adapt to a new way of life.

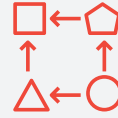


WE ARE REDINGTON

Redington is a leading distributor of technology & communication products and provider of services and solutions across 37 emerging markets. Our offerings include PC, Notebooks, Tablets, Printing Solutions, Servers, Storage, Software, Networking Solutions, Security Solutions, Smart Phones and Cloud. Besides India and Turkey, our operations span across markets in South Asia, the Middle East and Africa. As a premier distributor for 200+ global technology vendors, we leveraged a powerful network of 38,350+ channel partners to clock a turnover of ₹51,465.17 Crores during FY 20.

Through two wholly-owned subsidiary companies, we also operate in the field of Third-party Logistics & Supply Chain Solutions and in the field of Repair and Maintenance of Technology Products & Infrastructure. These adjacencies allow us to widen our coverage of technology distribution value chain. At the group level, we deploy a diverse and highly skilled workforce of 4,650+ employees from 36 nationalities across 37 markets.

OUR VALUES



Adaptability

To quickly and effectively change and grow with the global and regional markets



Collaboration

With our customers and our suppliers, we put our heads together to get the job-done



Know-how

Our technical and market expertise runs deep



Objectivity

We work with open minds and no bias – other than making our customers successful



Simplicity

We believe in keeping things simple, both for the customers and organization



Trust

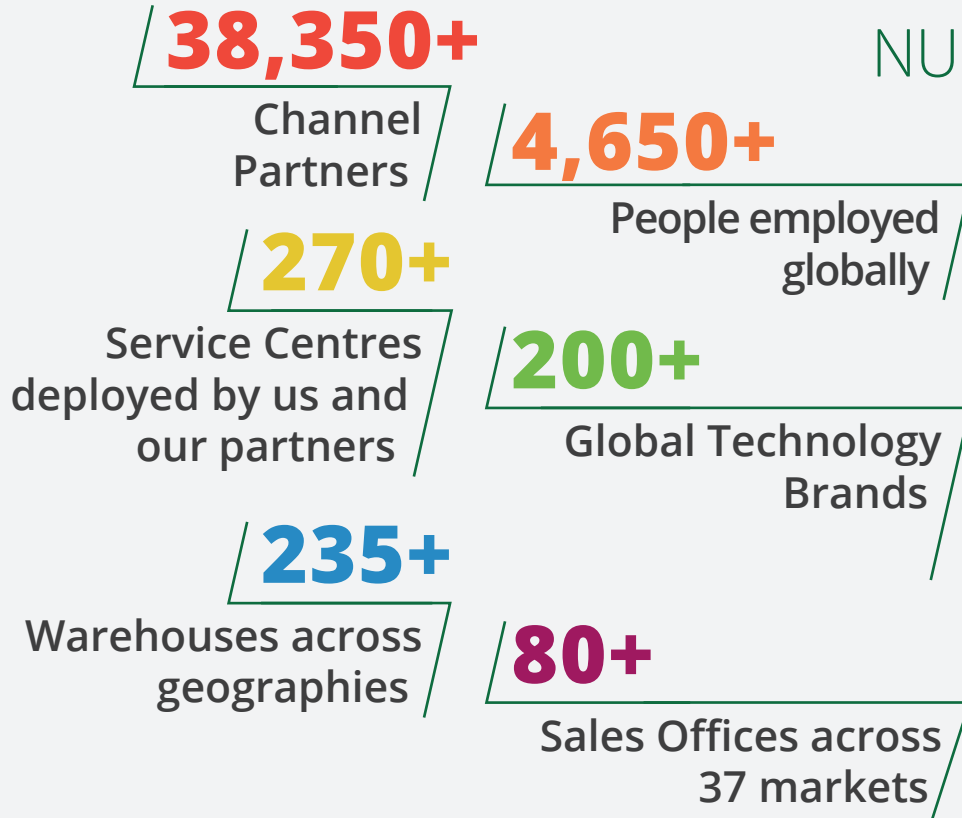
Reflected throughout the Company communication, trust is a pre-requisite for us to achieve a synergy with both internal as well as external stakeholders



Transparency

We believe in openness and promote it within the organization

IN NUMBERS



SOME OF OUR MAJOR BRAND PARTNERSHIPS



OUR INVESTOR VALUE PROPOSITION

WHAT SETS US APART

A ROBUST FOUNDATION

Highly experienced and long-serving Leadership Team

Highly talented Human capital across all functions

Very close, long-standing engagement with Vendors and Partners

A comprehensive and contemporary bouquet of Products & Solutions

TRACK RECORD

Since listing: Revenue CAGR of 14.7%, Profit CAGR of 13.3%

Consistent Dividend payout of 20% of Annual consolidated Profit

Strong Credit Rating for past two decades

Distributor of Choice: Either No. 1 or a strong No. 2 partner for most vendors in all markets

AHEAD OF THE CURVE

Future Ready: Investing in skills, resources & infrastructure ahead of time

Partnering with our vendors from the introductory stage of emerging technology trends

Setting standards and trends in our interaction and offerings to our channel partners

SUSTAINABLE DEVELOPMENT

Low Carbon footprint

Giving back to Society through sustained engagement in the field of Education and Health

Emphasis on Governance & Compliance

CONSOLIDATED FINANCIAL HIGHLIGHTS

₹ in Crores

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	CAGR (since listing)
Revenue	51,513.8	46,599.4	41,641.7	39,736.2	34,419.8	30,736.1	27,244.1	23,446.2	20,779.9	16,373.4	13,162.2	11,918.6	10,369.9	8,667.2	14.7%
EBITDA	1,071.4	961.9	855.5	866.2	817.6	761.9	719.6	684.2	633.4	471.7	365.7	329.6	259.0	198.5	13.8%
PBT[®]	692.3	623.3	630.6	654.5	590.3	555.5	485.1	462.4	450.3	351.0	275.9	219.0	177.1	127.3	13.9%
PAT[®]	515.2	507.8	481.6	464.2	423.5	386.5	336.6	323.1	292.7	226.0	184.3	159.7	136.1	101.7	13.3%
Networth	4,308.9	3,906.0	3,530.6	3,147.9	2,949.4	2,374.2	2,021.3	1,640.7	1,322.5	1,255.3	1,075.7	1,002.2	721.5	625.6	
Capital Employed	7,227.6	5,558.1	5,347.2	5,025.3	5,665.9	4,446.8	3,993.8	3,947.1	3,477.6	3,186.3	2,464.6	2,226.5	1,505.4	1,226.9	
EBITDA / Revenue	2.1%	2.1%	2.1%	2.2%	2.4%	2.5%	2.6%	2.9%	3.0%	2.9%	2.8%	2.8%	2.5%	2.3%	
PAT / Revenue	1.0%	1.1%	1.2%	1.2%	1.2%	1.3%	1.2%	1.4%	1.4%	1.4%	1.4%	1.3%	1.3%	1.2%	
Return on average capital employed *	14.4%	16.5%	15.5%	15.2%	14.9%	17.2%	17.2%	17.7%	18.4%	16.0%	14.6%	17.2%	18.9%	18.2%	
Return on average equity *	12.6%	13.7%	14.5%	15.3%	15.6%	18.2%	19.1%	22.8%	23.9%	19.9%	17.7%	19.1%	21.7%	21.3%	
EPS (FV Rs. 2) (₹)#	13.2	12.8	12.0	11.6	10.6	9.7	8.4	8.1	7.4	5.7	4.7	4.1	3.5	3.1	
Book Value per share (FV Rs. 2) (₹)	110.3	99.8	87.7	78.2	73.2	57.6	48.8	39.5	33.2	31.7	27.4	25.7	18.5	16.1	

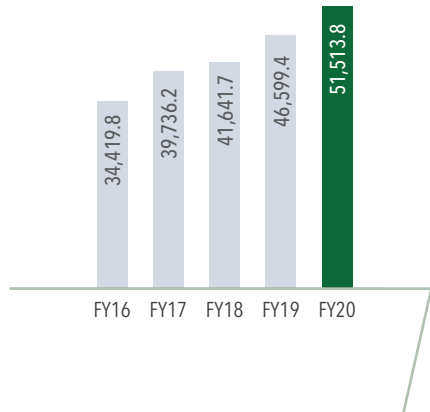
For EPS calculation weighted average number of equity shares have been considered. During the year 2010-11, the face value of shares got split from ₹ 10 to ₹ 2
 EPS and Book value for earlier years converted basis face value ₹ 2.

* While calculating Return On average Capital Employed and Return On average Equity, goodwill has been excluded / capital reserve has been included appropriately.

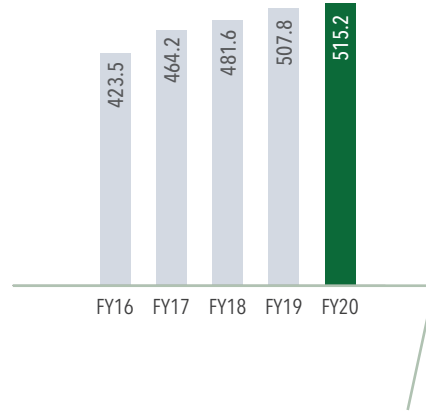
@ Including loss on the sale of long-term investment in Easy access Financial Services Limited of ₹ 9.07 Crore during FY 13-14.

Figures for the financial years beginning from FY 2015-16 are in line with Ind AS.

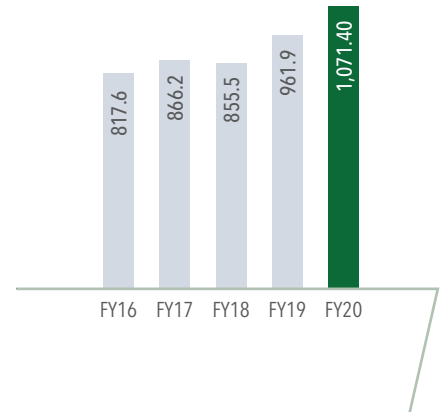
Revenue
₹ in Crores



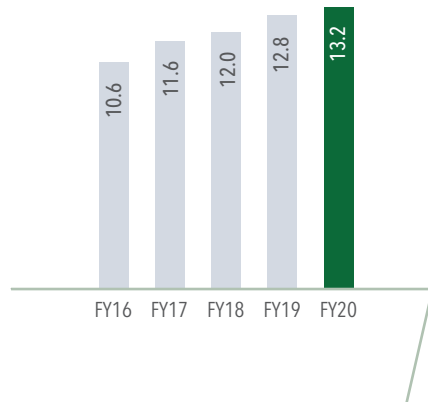
PAT
₹ in Crores



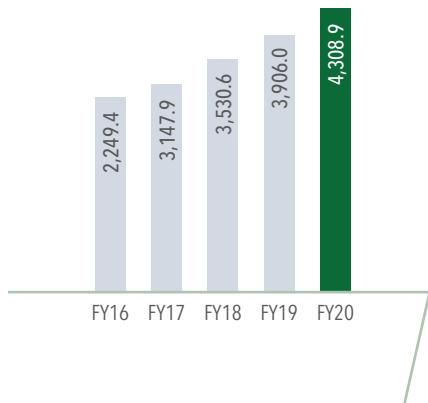
EBITDA
₹ in Crores



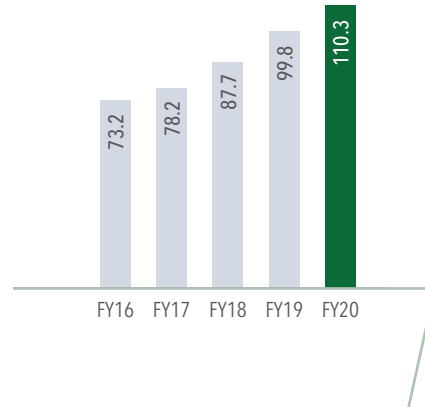
EPS
₹



Networth
₹ in Crores



Book Value Per Share
₹



MESSAGE FROM MANAGING DIRECTOR



DEAR STAKEHOLDERS AND FRIENDS OF REDINGTON

Even as I gather myself to pen down this annual address to you, which I consider amongst my great privileges, the human populace is experiencing an existential crisis.

Over 13 million human beings have been directly infected so far and more than half a million precious lives have been lost due to the deadly COVID-19 pandemic and these numbers are increasing every day. Please join me in my prayers for peace to the departed souls and for the health and safety of every person on this planet, that we call our home. I beseech the Almighty for his blessings towards complete safety and continuing good health of the entire Redington family, of which you and your loved ones form an integral part.

The game of cricket being a religion of sorts for most Indians, we have often seen a contest turning on its head within a couple of deliveries. As the fiscal 2019-20 was drawing towards its closure, we witnessed our world changing beyond recognition in just a few weeks. Cities after cities, across countries and continents, were forced to confine their population at home, almost overnight

The dreaded words “Lock Down” were embedded into our daily lexicon and our lives, under the severe restrictions, became focused on ensuring availability of daily-need essentials – grocery, milk, fruits and vegetables-things that we take for granted. Internet, already another “essential” to our daily lives, assumed criticality, as social distancing and isolation relegated all person-to-person contact to the virtual medium. From Schools to Colleges and Universities, from hobby classes to birthday celebrations, from family get-togethers to reunions, from work collaborations to meetings and conferences, all forms of social and official activities were rendered to the ether.

All of us are hoping and praying that like many a colossal challenge faced by mankind, this too shall pass soon and the world will get back to somewhere near normalcy. The human spirit is already fighting back with resilience and ingenuity and is quickly adapting itself to the changed normal.

Whatever form our lives take from hereon, it is indisputable that Technology & Communication Devices, already at the center-stage of our existence, will become the fulcrum. The pervasiveness and penetration of technology and internet will accelerate manifold, across geographies and economic strata of the populace, of every nation. This will call for a massive investments towards products, services and solutions that your Company already deals in.

During the first half of Calendar Year 2020, Covid-19 has had a significant impact on many areas of business and operations and a severe impact on some of them. Global supply chains have been disrupted and we are witnessing demand contraction in several sectors of the economies across the world. Sharp increase in unemployment and reduction in earnings, have resulted in an appreciable downturn in individual spends. The stress of reduced earning and liquidity crunch will test the resilience of most enterprises.

It is in this context that your company's strategy of "De-risking the Continuum" gains heightened importance. It represents our long-standing commitment to safeguard your Company in perpetuity. As the crisis unfolded, we moved with alacrity and nimbleness to protect our stakeholders' value. During lockdown, the priority was to ensure the safety, health and well-being of our employees, while ensuring

business continuity. A well planned and coordinated exercise of enabling Work-from-Home for all Redingtonians was completed quickly, providing our employees with IT, Communication, Collaboration & Connectivity tools that are essential for working effectively, while away from office for long stretches of time. Our investments in enterprise-wide digitalization proved to be critical towards ensuring business continuity.

Keeping in mind the breadth and scope of your Company's multinational & multi-region operations, involving hundreds of global brands on one hand and thousands of local channel partners on the other, a tactical risk mitigation playbook, putting sharp focus on important "7Cs", was developed and immediately deployed. The framework re-defined the Standard Operating Procedures (SoPs) across these "Cs", namely, Cash flow, Collection, Cost, Customers, Contracts, Control and Communication.

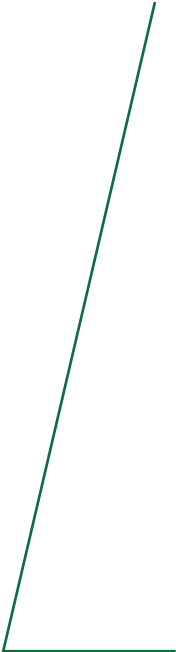
Practicing the highest level of transparency and stakeholder engagement, the Company commissioned a conference call with the investor fraternity to provide an update on the various measures taken by us to combat this crisis.

I am happy to inform you that the alertness and swift actions of our teams and the continued support of our vendors and channel partners have helped us successfully navigate the challenges that your Company is facing due to the Pandemic crisis.

With business during the month of March 2020 seriously impacted in all markets, the Financial Year 2019-20 (FY20) was effectively reduced to 11-months. Despite this handicap, with a topline growth of about 11%,

your Company breached the landmark figure of ₹ 50,000 Crores, delivering a consolidated Revenue of ₹ 51,514 crore for FY'20. Our consolidated EBITDA grew by 11% to reach ₹ 1,071 Crores. Our PAT, however, was severely impacted on account of charges that we were compelled to take in our subsidiary, ProConnect. Consequently, the growth in your Company's consolidated PAT was a modest 1%, at ₹ 515 Crores, for FY20. Aided by a significant reduction in working capital, the Company was however able to deliver a

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From a geographical standpoint, consolidated revenue from India operations grew by 10%, while profit de-grew by 16%, dragged down by the charge taken in ProConnect. However, the core Distribution business in India delivered an impressive EBITDA growth of 24% and a PAT growth of 52%.

Your Company's Overseas business delivered double-digit growth of 11% in Revenue, 17% in EBITDA and 10% in PAT. This growth was aided by a robust performance in your Company's Turkey operations.

At a worldwide consolidated level, the loss of business during March 2020 was significant and resulted in substantial loss of potential Revenue and Profits. Your company lost Revenue opportunity estimated at approx. ₹ 1,771 Crores, and a corresponding loss in PAT opportunity.

Viewed through segmental lenses of IT, Mobility, and Services, your Company delivered growth across all three categories. While consolidated revenue growth in IT was a modest 2%, for Services it stood at a healthy 9%. It was the stellar revenue growth of 26% in the Mobility segment that resulted in the commendable growth achieved in overall consolidated revenue.



Efficient working capital management, a critical component of our business, remained highest on the list of our operational priorities throughout FY 20. A slew of measures and continuous monitoring across markets and segments helped us improve our working capital cycle, at a consolidated level by 6 days, to 31 days in FY20 (37 days in FY19). The India business operations recorded a steep reduction of 16 days (31 days in FY20 from 47 days in FY19), while the Overseas business also improved it by one day, from an already highly efficient level (30 days in FY20 from 31 days in FY19).

As briefly mentioned above, the charge to the P&L, which dragged

down the Profits of your Company's India operations, was caused due to regrettable circumstances at ProConnect, your Company's wholly owned subsidiary, engaged in Third Party Logistics and Supply Chain Solutions. While ProConnect's revenue grew by 7% to reach ₹ 432 crore in FY20, it closed the year with a loss of ₹ 57 Crores.

The loss was largely on account of provisions made against non-recovery of trade advance, impairment and some unviable transportation contracts, in the asset acquired by ProConnect in FY 16-17. Your Company has taken necessary corrective actions to ensure that this remains an isolated incidence, while simultaneously taking steps to initiate business recovery in ProConnect's subsidiary Company. Your Company is committed to ensure that ProConnect overcomes this setback and reboots quickly to resume its growth trajectory.

During the course of FY 19-20, your Company took decisive steps in its pivot towards transitioning itself into a Solution Oriented Distributor. We have augmented our skills and capabilities in critical, future-oriented and emerging technologies in the areas of Cloud, Cybersecurity, Internet of Things (IoT), Artificial Intelligence (AI) & Machine Learning (ML). Your Company is developing solutions & services offerings in these niche technology practices and this will help our partners solve their customers' business problems.

As we move into FY 20-21 and beyond, the business and socio-economic landscape will remain permanently altered. Person-to-Person contact will remain largely curtailed for the foreseeable future, with Health, Safety, Personal Hygiene & Social Distancing being primary concerns.

Your Company has adopted a measured and practical approach by putting in place a systematic Work-from-Home routine, involving full, partial & by-rotation attendance to offices, basis roles, responsibilities and job-content.

We will accelerate our transition towards a fully Digitalized Organization with digitization of most functions, processes and systems. In the next 2-3 years, I envisage a very large part of your Company's business to be conducted on a Fully Automated, Integrated Business Platform, involving minimal human touch and intervention.

The rapidly changing environment offers unique business opportunities to your Company. As organizations and individuals increasingly adopt a Digital way of life, we expect significant investments in IT enablement and upgrade in the areas of Banking & Financial Services, Education, Government Services and Social Engagement & Communication. This will involve adoption of solutions encompassing Cybersecurity, Enterprise Software & Applications, Cloud, AI & ML. As the premier technology distributor in all the markets that it operates in, your Company is uniquely positioned to capture the opportunities that these investments will throw up.

While ensuring that we address the evolving business landscape aggressively in order to capture all possible Revenue opportunities, our strategy will continue to be guided by the fundamental tenets of delivering Profitable Growth, generating Free Cash Flow and ensuring a healthy ROCE.

Your Company has always attempted to pay back its valued investors as best it can, and we will continue with our attempts to maximize the returns to you. Keeping this in mind, we plan to review our Dividend Policy to make the dividend payout more interesting for our shareholders.

As a responsible Corporate, aware of its obligations beyond Business Metrics, your Company takes its responsibilities towards Environment, Social & Governance (ESG), with a great degree of seriousness.

Mindful of the impact we may have on the Environment, your Company makes every effort to minimize its carbon footprint. Consumption of electrical energy and water at all our

offices is closely monitored to eliminate any wasteful usage. Deployment of IT assets is designed for maximum possible re-use. Your Company also ensures that it meets the guidelines for recycling and disposal of E-waste, mandated for Importer-on-Record organizations.

All Organizations operate leveraging the infrastructure and conveniences offered by the societies they exist in. At Redington, we are highly sensitive of the obligation that this privilege imposes on us and we recognize the role we must play in improving the Social Environment around us. Your Company stepped up to help the economically challenged social strata, during the pandemic, through its CSR activities. Redington's CSR team has worked tirelessly, throughout fiscal 19-20, to provide Educational & Vocational training to targeted sections of our society. A detailed note of their activities is available in a later part of this Annual Report and I am confident that you would derive immense pride in your Company's efforts in this area.

A high level of corporate Governance is amongst your Company's topmost priority. The tenets of Transparency & Trust, that are enshrined in our Corporate values, reflect this philosophy and we believe in following them in letter and in spirit, in our interactions with both internal as well as external stakeholders. It is but a natural corollary that ethical business practices and attention to internal and external compliance requirements are the bedrock on which the foundations of Redington's operations and processes are erected.

Safety and well-being of the highly committed and talented team of individuals which makes Redington the Company it is, will remain our highest priority. Even during the highly stressful and severely restricted times of lock-down, Redingtonians have traversed even beyond that proverbial extra mile, to remain connected with our Vendors and our Partners. Redingtonians kept their focus on available business opportunities, execution of the business acquired and collection of

Accounts Receivables. Along with Team ProConnect, our employees across all functions worked towards fulfilling deliveries to sectors declared Critical by the government, overcoming the constraints of highly regulated and restricted operations, both in the market, as well as in the warehouses. I wish to take this opportunity to thank my team for a stupendous job done. We take immense pride in the fact that we are the Distributor of choice for all our Vendors, who entrust us with the responsibility of taking their products and technology to customers spread across the length and breadth of the markets that we operate in. We feel energized by the confidence that they show in us and I would like to take this opportunity to thank them for their support and guidance.

Redington does all its business through its thousands of channel partners and it recognizes the fact that they have alternatives to us. That they choose to do business with us, is a privilege we enjoy. We exist because of our partners and it would be amiss if I do not acknowledge our gratitude and thank them for their support.

I wish to express my appreciation of the support that we continue to receive from our Bankers. They are an important stakeholder in our continued success. Our Auditors provide us with invaluable advice and I thank them for their support. Our diversified and highly qualified Board of Directors are a source of great strength for us and I deeply appreciate the support and guidance that I receive from the richly experienced and knowledgeable members of our Board.

Last, but not the least, on behalf of my Board and my team members, I wish to thank you, our shareholders, for the trust and confidence that you continue to repose in us.

I look forward to your continued support as we attempt to deliver increasing value to all stake holders in the new fiscal.

With warm regards,
Raj Shankar
 Managing Director
 July 10, 2020

BOARD OF DIRECTORS



Professor J. Ramachandran

**Non-Executive Chairman &
Independent Director**

Professor Ramachandran is a qualified Chartered and Cost Accountant, and a Fellow of the Indian Institute of Management Ahmedabad. He is a Professor of Strategy at the Indian Institute of Management Bangalore. His research focuses on the growth and governance challenges of firms. His work has been published in leading international journals including the Harvard Business Review, Strategic Management Journal, Organization Science, Journal of International Business Studies and Global Strategy Journal.

Professor Ramachandran's research has won the IMD FDC Award and several best paper proceedings from the Academy of Management, USA. His teaching cases have been recognized with multiple awards from The European Foundation for Management Development and The Association of Indian Management Schools; awards from The Association of Management Development Institutions in South Asia and The Central and East European Management Development Association as well as the Tata Steel-IIMB Best Case Award. Over the years, he has won multiple best teacher awards at IIM Bangalore. An engaged scholar, Professor Ramachandran advises both Indian and multinational firms.

V.S. Hariharan Independent Director



Mr. Hariharan is a graduate of IIT-Madras and an MBA from Indian IIM-Bangalore. He has 25+ years of Sales, Marketing, and General Management experience across Global, Regional & Country level roles in the Information Technology Industry. Starting his career with Wipro in India, he relocated to Singapore and associated with Hewlett-Packard for more than 18 years. In HP, Mr. Hariharan held a number of positions as Vice President leading different businesses ranging from worldwide laser business, Asia Pac Sales and field operations, Asia Pac Graphic Solutions Business. He is currently the Co-founder and CEO of Third Wave Power Pte Ltd - a Global business based on Solar Portable Solutions and is based out of Singapore.



Keith WF Bradley Independent Director

Mr. Keith is a Chartered Accountant from the United Kingdom with Masters of Accounting from the Queen's University of Belfast. He served as the Senior Executive Vice President and President of Ingram Micro North America and played a vital role in developing strategies for the region. Mr. Keith was responsible for overall performance of Ingram Micro's US and Canadian operations. Under his leadership, Ingram Micro North America had introduced several new divisions and services. After Ingram Micro, Mr. Keith was an operating adviser to Clearlake Capital, a private equity company with \$17 billion of assets under management. Mr. Keith was a full-time CEO and a board member of several Clearlake portfolio companies advising on strategy, M&A and value creation for investors. Mr. Keith started his career with PricewaterhouseCoopers, UK and moved to Walt Disney Consumer products before joining Ingram Micro.

B. Ramaratnam

Independent Director

Mr. Ramaratnam graduated from the University of Mumbai and after qualifying as a Chartered Accountant joined Price Waterhouse Coopers at Chennai and later joined AF Ferguson & Co and Deloitte Haskins & Sells where he was an Audit Partner till March 2015. During the course of his long career, Mr. Ramaratnam has serviced national and multinational clients from diverse sectors such as manufacturing, trading, software, time-share, real estate, financial services, pharma, engineering, construction, services etc. He is also an Independent Director at Cholamandalam Financial Holdings Limited.



Anita P Belani

Independent Director

Ms. Anita is an M.B.A. from XLRI, Jamshedpur and B.A.(Hons) in Economics from Miranda House, University of Delhi. Ms. Anita is a seasoned professional with 30 plus years of rich post MBA experience as a senior business & human capital leader. Till recently, she was the Operating Partner at Gaja Capital and is a director on the board of Eternis Fine Chemicals, Foesecco India Limited, IDFC Asset Management Company Limited, IDFC Financial Holding Company Limited. She has previously held director positions on the boards of Wanbury Ltd, Laxmi Organic Industries Ltd., SV Edusports, Eurokids International etc. Ms. Anita is an ICF Accredited Executive Coach and has 15 years of coaching experience under her belt having coached several C-suite level executives across various sectors. Prior to joining Gaja Capital, she was associated with Global corporates at senior positions, Russell Reynolds Associates as its Managing Director- India operations, Watson Wyatt India as its Country Head. She has worked in the US with Sun Microsystems as its global Senior HR Business Partner, KPMG USA as Director HR. She has also worked with American Express TRS in the early part of her career. Ms. Anita takes keen interest in mentoring startups and is a key member of the Lead Angels network which focuses on investing in early stage companies.



Tu, Shu-Chyuan

Non-Executive Nominee Director

Mr. Tu is an engineering graduate from the National Chiao Tung University, Taiwan, and has a Master's degree in Computer Engineering from San Jose State University, USA. He is currently the VP of business development of Synnex. Prior to joining Synnex, he worked for various computer networking companies in the State and had focused expertise in planning and management. He has an overall 37 years of working experience in the global IT industry. He joined Synnex in 1994 and held a series of management positions.





Chen, Yi-Ju
Non-Executive
Nominee Director

Ms. Chen is an Agri-Economics graduate from National Taiwan University, with major in International Finance. She joined Synnex in 2008 and now is in charge of overseas subsidiaries management and investment management. In Synnex, she participated in several JV projects, including the cases in Indonesia and Vietnam. Prior to joining Synnex, she worked with CMC Magnetics Corporation, Argus Technology and Lite-On Group. She has over 20 years of working experience in Financial Investment and IT industry with solid experience in Corporate Finance.



Udai Dhawan
Non-Executive
Nominee Director

Mr. Udai has an MBA with a major in finance from the Wharton School, University of Pennsylvania and is also a Chartered Accountant from the Institute of Chartered Accountants of India. Mr. Udai Dhawan is a Founding Partner and Head of India Private Equity at Affirma Capital. Mr. Udai has over 24 years of financial services experience and represents Affirma Capital on the boards of several portfolio companies. Prior to Affirma Capital, Mr. Udai was Managing Director and Head of India for Standard Chartered Private Equity (SCPE). Having joined SCPE in 2008, Mr. Udai was responsible for building the India franchise and was involved with several of the fund's investments. Prior to SCPE, Mr. Udai worked for over a decade in corporate investing, M&A and corporate finance, across India and the United States with JP Morgan, Sabre Inc., Kotak Mahindra Capital and Arthur Andersen.



Raj Shankar
Managing Director

During his 25+ years with Redington, Mr. Raj Shankar has been instrumental in conceptualizing, operationalizing and expanding the Company's business in the diverse markets of East Europe, South East Asia and META regions. He played a key role in Redington's immense success in META region, starting with Middle East and progressively expanding the Company's footprint through forays into Africa & Turkey. As Redington's then Joint Managing Director, Mr. Raj built the META business from scratch and quickly catapulted the Company to an unassailable leadership position in the region. Since 2014, Mr. Raj has been at the helm of Redington as the its Global Managing Director, while also serving as the Chairman of Redington Gulf FZE and Arena Bilgisayar. Before joining Redington, he had professional tenures with leading companies in the textile and pharmaceutical sectors, working in both, Indian as well as International markets. Mr. Raj is an alumni of BITS, Pilani.



S.V Krishnan
Whole-Time Director and
Chief Financial Officer

Mr. Krishnan is a Chartered Accountant, Cost Accountant and a Company Secretary. Presently, he is the Whole Time Director and Chief Financial Officer of Redington (India) Limited. He is the Chairman of the Board of Ensure Support Services (India) Limited and is also a Director on the Board of ProConnect Supply Chain Solutions Limited and its subsidiary, Auroma Logistics Private Limited. He joined Redington in 1998 and has been part of the Company's growth since then. As head of finance at Redington, he was involved in the Company's equity raising including the listing in India during the year 2007 and his responsibility also includes investor relations with public/institutional shareholders & Analysts. Prior to joining Redington, he was employed with Ashok Leyland Limited.

CORPORATE INFORMATION

Chairman

Prof. J. Ramachandran

Managing Director

Mr. Raj Shankar

Whole-Time Director and Chief Financial Officer

Mr. S. V. Krishnan

Directors

Mr. Tu, Shu-Chyuan

Ms. Chen, Yi-Ju

Mr. Udai Dhawan

Mr. B. Ramaratnam

Mr. V. S. Hariharan

Mr. Keith WF Bradley

Ms. Anita P Belani

Company Secretary

Mr. M. Muthukumarasamy

Statutory Auditor

BSR & Co. LLP

Secretarial Auditor

CS R Bhuvana

Bankers – India

Axis Bank Limited

BNP Paribas

Citi Bank N.A.

DBS Bank India Limited

Deutsche Bank

Federal Bank Limited

First Abu Dhabi Bank PJSC

HDFC Bank Limited

HSBC Limited

ICICI Bank Limited

IDBI Bank Limited

IDFC First Bank Limited

Kotak Mahindra Bank Limited

Mizuho Bank Limited

Standard Chartered Bank

State Bank of India

Sumitomo Mitsui Banking Corporation

Yes Bank Limited

Bankers – Overseas

Axis Bank Limited

BNP Paribas

Deutsche Bank AG

Dubai Islamic Bank

Emirates NBD Bank PJSC

First Abu Dhabi Bank PJSC

Gulf International Bank B.S.C.

HSBC Bank Middle East Limited

ICICI Bank Limited

Mashreq Bank

National Bank of Fujairah

Standard Chartered Bank

Akbank, Turkey

Anadolu Bank, Turkey

Burgan Bank, Turkey

Denizbank, Turkey

GarantiBankası, Turkey

Fibabanka, Turkey

Halk Bank, Turkey

HSBC, Turkey

ICBC, Turkey

İNG Bank, Turkey

İşBankası, Turkey

Kuveyttürk, Turkey

Odeabank, Turkey

Sekerbank, Turkey

T-Bank, Turkey

TEB, Turkey

TürkiyeFinans, Turkey

VakifKatilim, Turkey

Vakif Bank, Turkey

YapıKredi, Turkey

ZiraatBankası, Turkey

Akbank AG, Germany

Denizbank AG, Germany

BNP Paribas, Singapore

HSBC Bank Ltd, Singapore

ICICI Bank Limited, Singapore

Maybank, Singapore

OCBC Bank, Singapore

Standard Chartered Bank, Singapore

UCO Bank, Singapore

The Bank of Tokyo-Mitsubishi UFJ, Ltd, Singapore

National Development Bank PLC, Sri Lanka

Hatton National Bank, Sri Lanka

Sampath Bank, Sri Lanka

MCB Bank, Sri Lanka

Commercial Bank of Qatar, Qatar

DOING BUSINESS RESPONSIBLY

In tandem with evolving a new Brand Identity, we recommitted ourselves to our ethos of being a responsible organization by strengthening our approach to Environment, Social and Governance (ESG) framework.

Building environmental consciousness across the rank and file is something that your Company takes seriously. Tech-enabled, digital communication, both internal as well as external, is encouraged at every opportunity. Distribution of this annual report digitally is an important step in this direction.

Process automation and digitization across functions is driving our efforts towards becoming a truly paperless organization.

Audio and Video conferences, for internal as well as external meetings and for training & enablement activities have been actively promoted to

**AN
ENVIRONMENTALLY
CONSCIOUS
REDINGTON**



Environmental planning considering social and governance

minimize travel requirements and increase the efficient use of time and resources.

In logistics and supply chain operations, using electric forklifts instead of fossil fuel-powered ones and increasing consumption of renewable energy is aimed at reducing our carbon footprint.

Being a responsible importer on record, we, Redington meets all its obligations towards recycling and safe disposal of E-waste. During the year 2019-20, the Company collected and disposed around 35+ MT of e-waste, with strict adherence of the stipulated guidelines.

Recognizing that effective control of E-waste management is a larger societal responsibility, your Company undertakes awareness campaigns, organizing seminars and workshops at schools and colleges through Foundation for CSR @ Redington.

AN ETHICALLY GOVERNED REDINGTON

Our concept of good Corporate Governance transcends the statutory and regulatory compliances, with complete alignment with the laws of the land, in a letter as well as in spirit. This compliance is re-emphasized with the governance exercised by you, our shareholders and by the Board of directors, through the sub-committees overseeing Risk Management, Code of Business Conduct and Compliance Framework, continuously bench-marking us against the global best business practices.



Redington E-waste Orientation

Promoting a mindset of Social Fairness within the organization is an important activity for your Company. Providing a fair and transparent employment platform, respect, and appreciation of colleagues at every level of responsibility, a gender-neutral approach and complete obliviousness to any form of societal hierarchy is imbedded in our beliefs and actions.

A SOCIALLY COMPASSIONATE REDINGTON



SHARING VALUE WITH MANY

Your Company's guiding principles are responsible and ethical business practices towards creating Value for all stakeholders. We have long recognized that one of our important stakeholders in the society that we operate, which provides the eco-systems that supports our business endeavors.

Your Company has embraced a mission to support and nurture marginalized sections of our society that reside in our operating geographies. Redington's Corporate Social Responsibility initiatives have been directed towards fulfilling this mission over the past few years and "Foundation for CSR @ Redington" (Redington Foundation), formed in 2015 has led your Company's initiatives in this area.

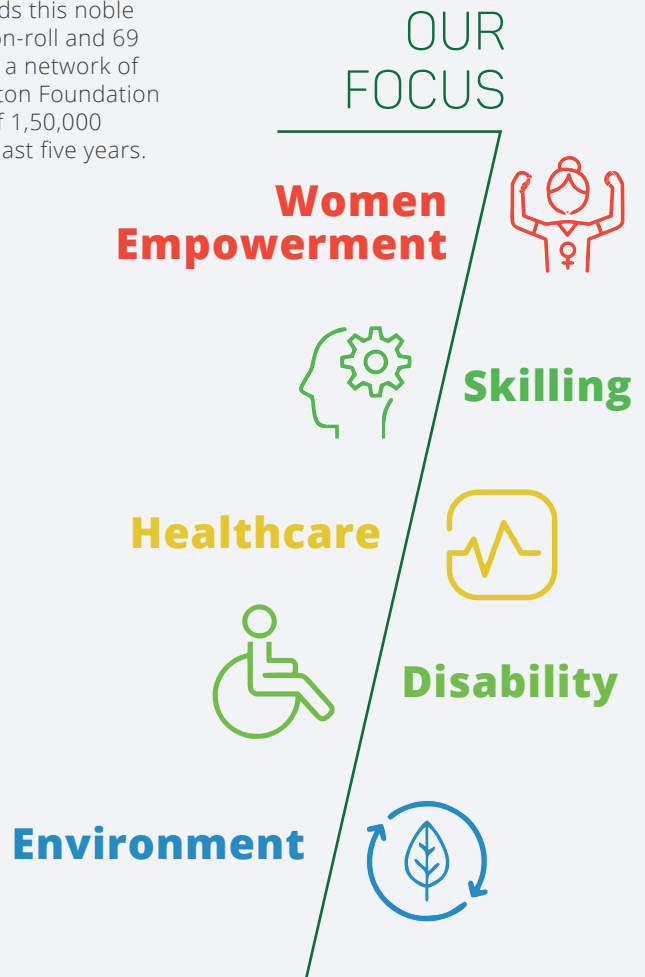
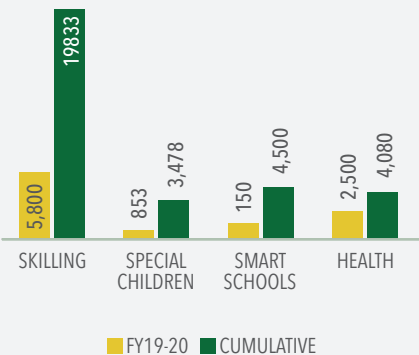
Redington Foundation's focus areas are Education, Healthcare, Disability, and Empowerment of Women. To achieve maximum impact from the available resources, we have chosen the major districts of Tamil Nadu and few states in North India as our areas of operation.

While CSR investments in education are aimed at creating an informed and self-reliant society, preventive healthcare initiatives foster a healthy community. Programs focused on children with physical challenges are aimed at providing necessary infrastructure

to the schools catering to the special children. Promoting Environmental consciousness, we have run campaigns aimed at the conservation of groundwater and water bodies.

The CSR Committee oversees and steers our CSR initiatives. All initiatives are handled by dedicated in-house resources, select NGOs of repute with many employees volunteering their time and efforts towards this noble cause. Leveraging 33 on-roll and 69 off-roll employees and a network of 100+ partners, Redington Foundation has impacted a total of 1,50,000 beneficiaries over the last five years.

Beneficiaries



DIGITAL LITERACY ON WHEELS

During FY 19-20, an innovative project 'Digital Literacy on Wheels' was launched, in collaboration with HP India. Aimed at delivering computer literacy at a young age to children in rural and far-off topographies, this ten-year program targets to cover one lakh children.



Promoting Education and Healthcare through digital literacy

HEALTH AND HYGIENE AWARENESS

Children are the future of society and the country. 'Project EXCELLENCE' aims to promote education, encourage preventive healthcare and introduce digital literacy in schools. During FY 19-20, awareness programs and healthcare camps on dental hygiene, healthy eyesight and respiratory disorders were conducted by RF



Employees participating in an event

NURTURING SPECIAL TALENT

'Project REACH' extends a caring hand to children with disabilities. During FY 20, RF expanded its outreach to 25 special schools across various districts of Tamil Nadu, Delhi and Uttarakhand, covering around 900 special children. Our support ranges from sponsoring of educator salaries and bolstering infrastructure in special schools with physiotherapy units and sensory integration rooms.



Seeding for reading among students

Team RF team quickly organized themselves to support critical sections and earmarked of ₹ 2.25 crore towards COVID-19 centric initiatives.

This campaign was implemented through a twelve-member team formed across eight states. Your Company encourages its sales force across the country to volunteer their time and energies towards these initiatives. This helped in RF expand its footprint in geographies where it does not have any presence. Titled 'Sunday Initiative', the campaign was carried over a period of four weeks.

Beneficiaries were carefully selected to target frontline warriors like paramedics, sanitation workers and police personnel, apart from highly vulnerable constituents of society such as migrant workers, transgenders, street vendors, newspaper vendors, nomads, washermen, taxi & auto-rickshaw and families with disabled children and elderly people.

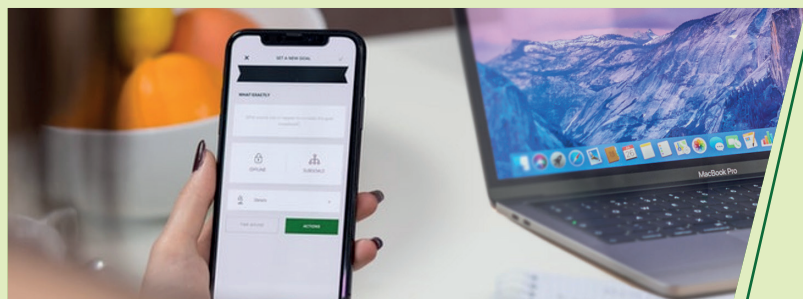
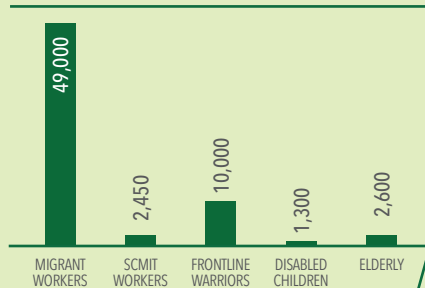
COVID-19 related initiatives included distribution of PPE kits, gloves, raincoats among frontline warriors and immunity booster kits to the families with disabled children and elderlies was undertaken by our COVID-19 task force.

RISING COLLECTIVELY IN THE FACE OF COVID-19

Vital daily necessities like groceries were also distributed to some of the targeted beneficiaries.

A snapshot of the beneficiaries of our COVID-19 related initiatives

COVID-19



AWARDS

INDIA



Redington India

- HP - Best National Distributor (Printing Systems) – 2019
 - HP - Best Distributor (Premium Notebook, Consumer PC) - 2019
 - HP - Best Distributor IPS (Print & Supplies) - 2019
 - Dell Technologies - Excellence in Digital Marketing - 2019
 - Dell Technologies - Distributor of the Year - 2019
 - Autodesk - Operation Excellence Award – 2019
 - AWS - WWPS (India) APN Distribution Partner of the Year - 2019
 - ESRI - Most Valuable Partner - 2019
 - Lenovo - Highest growth Distributor for Thin & Light Laptops - 2019
 - PTC - Marketing Excellence Award – 2019
 - Sophos - Best Distributor - 2019
- ProConnect**
- Best Mission Critical Services Company
 - Indus - Excellence in support - 2019

OVERSEAS



Redington Gulf

- HP – Best Computing Distributor
- HP – Best Print HW
- HP – Middle East Computing Distributor - 2019
- Microsoft Surface Smart SMB - Best Digital Transformation Retail Distributor – 2019
- Channel Middle East Awards – IT Distribution of the Year – 2019
- Dubai Customs – Largest Importer Award
- Samsung - Partner Excellence Award
- Huawei – Best Regional Distributor of the Year – 2019
- Fortinet – Renewal Sales Champion
- Oracle – VAD for Cloud innovation (Middle East & Africa) – 2019
- Aruba Networks – Best Distributor of the year (Middle East & Africa) – 2019
- VMWare – Distributor of the year & Best Marketing Partner – 2019
- Canon – Core Achiever Award - B2B & Outstanding growth B2C
- Canon – Business Driver Award
- HPE Personal - Outstanding Contribution to HPE's 100 Million LTO Ultrium Data Cartridges

Redington Saudi Arabia

- HP – Computing Distributor of the Year -2019
- Dell Technologies – Best Performance Award
- Trend Micro – Distributor Excellence Award
- Mobile Iron – Top Sales Engineer – 2018
- Avaya - Best Account Manager in Distribution
- Check Point – Middle East Growth Distributor Partner of the Year
- Samsung – Channel Expansion Award

Redington East Africa

- HP - Personal Systems Distributor of the Year – 2018
- HP - Supplies Distributor of the Year – 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



Leading
our path of
promises &
possibilities

ECONOMIC OVERVIEW

Global Economy: During 2019, the Global Economy encountered multiple challenges including protracted trade disputes leading to shrinking of global trade, rising tariff barriers, slow-down in investments and in manufacturing activities. The demand-side constraints affected global commodity prices, including oil and metals. In their attempts to bolster demand through increased liquidity, several Central Banks lowered policy rates. The US dollar strengthened across all other major currencies, making imports more expensive. As per IMF estimates, the Global GDP growth slowed 2.9% for 2019 (from 3.6% in 2018). This slowdown was uniform across advanced as well as emerging economies, except Africa.

COVID-19: Quite unknown to the rest of the world, towards the end of 2019, an unprecedented health emergency was gathering steam in the city of Wuhan in China. The Novel Coronavirus disease (christened COVID-19), went on to become a pandemic, spreading across continents like a raging wild-fire. By the end of March 2020, COVID-19 had brought the world of business to a grinding stop. Country-wide lockdowns not only halted domestic economic activities but also disrupted global supply chains with unimagined severity. By the mid-May 2020, authorities across the globe were cautiously attempting to begin a stage-wise lifting of lockdowns, starting mankind's long and arduous march back towards normalcy.

Given the severity and universality of the pandemic's impact, all economic forecasts are now subject to frequent revisions. In its April 2020 World Economic Outlook, IMF has predicted the global GDP to record a rare contraction of -3% in 2020, while predicting a sharp rebound to a 5.8% growth in 2021.

Indian Economy (FY 19-20): The country entered 2019-20 in election mode, with a six-week, seven-phase polling to elect a new Union Government. Return of a government with a strong mandate offered a continuity of policy, reform and growth. The drag of the NBFC crisis from the earlier year, however, continued to weigh heavily on private investment and consumer demand.

Doubling of farmers' income, rationalizing corporate taxes, attracting global manufacturing to set up base in India, ease of doing business and expanding exports, all aimed at propelling India's economy towards the \$ 5 trillion mark, are stated objectives of the Government of India. Aiming to revive growth by way of boosting private investment and consumption, the Union Government and Reserve Bank took major policy decisions, bringing about a substantial reduction in Corporate Taxes by and successive lowering of interest rates.

The banking sector, caught up in its own challenges, however, was not in a position to pass on the benefits of lowered rates in full to its borrowers.

The country went into a nationwide lockdown from March 25, 2020. While COVID-19 had a definitive impact on Q4 FY '20 metrics, the country's economic challenges were evident even before the onset of the pandemic. As per IMF, the Indian economy recorded a modest growth of 4.2% in 2019. The growth rate is expected to drop sharply to 1.9% in 2020 before rebounding to 7.4% in 2021.

Middle East and Central Asia: IMF estimates the region's growth rate to be 1.2% in 2019 (1.8% in 2018). The region is set to experience a sharp de-growth of -2.8% in 2020, before recovering to a growth of 4.0% in 2021. Most countries of the region will continue their efforts towards their long-term goal of building and strengthening non-oil segments of the economy, reducing the dependency on oil income to the extent possible.

Sub-Saharan Africa: During 2019, sub-Saharan Africa recorded a growth of 3.1%, with a modest decline of 0.2% from the year before. The growth rate is predicted to turn negative at -1.6% in 2020, before rebounding to 4.1% in 2021.

Global GDP Growth Trend (%)

	2018	2019	2020	2021
World Output	3.6	2.9	-3.0	5.8
Advanced Economies	2.2	1.7	-6.1	4.5
Emerging Market and Developing Economies	4.5	3.7	-1.0	6.6
India	6.1	4.2	1.9	7.4
Middle East and Central Asia	1.8	1.2	-2.8	4.0
Sub-Saharan Africa	3.3	3.1	-1.6	4.1

Source: World Economic Outlook, IMF

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) INDUSTRY OVERVIEW

Global ICT Scenario: The global ICT spend grew by 5% to reach \$ 4.91 trillion in 2019. While the traditional ICT spend (\$ 4.15 trillion) grew by 4%, a whopping 17% growth in spend in New Technologies (\$ 0.77 trillion) propelled the overall growth. Hardware spend (\$ 1.11 trillion) grew by a modest 3%.

The COVID-19 pandemic is predicted to stall growth, with ICT spending (\$ 4.90 trillion) remaining flat in 2020. From 2021 through 2023, overall ICT spending is projected to grow by at least 5% annually, driven by New Technologies, Cloud and Mobility.

Over the next 5 years, growth in traditional tech spending is forecast to come from four sectors; Cloud, Mobile, Social and Big Data / Analytics. New Technologies, such as IoT, AI, Robotics, AR/VR and Blockchain and Next-gen Cybersecurity will also drive significant growth.

Global ICT Spending (\$ Million)

	2019	2020	2021	2022	2023
Traditional Technologies	4,146,194	4,005,032	4,130,413	4,277,843	4,453,674
New Technologies	766,521	891,760	1,030,455	1,189,208	1,362,017

Source: IDC

Global Laptop Market is expected to grow by US \$ 7.52 billion during 2020-2024, progressing at a CAGR of 1% during the forecast period, with the Asia Pacific region witnessing the highest growth. Demand for light-weight and high-end specifications is expected to result in high growth in demand for 2-in-1 laptops. The premium segment accounted for a significant market share as these laptops offer long battery life, wide display screen, robust processors, and attractive design. Spiraling usage of online and augmented/virtual reality gaming among youths and professional gamers is bolstering market growth for gaming laptops.

Global Smartphone markets de-grew by -1% in 2019, as per Counterpoint Research. Shipment volumes declined to 1,486 million units in 2019 from 1,505 million in the previous year. This was the second consecutive year of contraction for smartphone shipments.

The global mobility market was impacted by challenges on both,

demand as well as supply fronts. Heightened trade and geopolitical stress weighed heavily on the supply chain of components such as memory chips. The fallacy of dependence on a single-source got exposed, prompting vendors to realign their future strategies

India ICT Spectrum: ICT spend in India grew by 4.7% to reach \$ 90.87 billion in 2019. Enterprise Software and IT Services led the chart with double-digit growths of 11.7% and 10.5% respectively. Devices grew by 7% while Data Center Systems recorded a moderate 1.4% growth. Communication Services recorded a negative growth of -1.7%.

Like in all other investments areas, the COVID-19 crisis is expected to adversely impact the ICT spend in 2020. As per Gartner, ICT spend is projected to de-grow to \$83.5 billion, a decline of -8.1%. This would be the first decline in ICT spending in India, in a 5-year span. Spending on devices and data center systems is projected to record the steepest declines, at -15.1% and -13.2%, respectively. CIOs in India will consider extending life cycles of their existing device assets which will delay new purchases.

Amid overall contraction, technologies such as tele-health, smart-chatbots, mobile applications that enable remote service deliveries and distance learning education software is predicted to witness increased spending.

India IT Spends

(in \$ Millions)	2019 Spend	2019 Growth	2020 Spend	2020 Growth
Data Centre Systems	3,670	1.4%	3,186	-13.2%
Enterprise Software	6,287	11.7%	6,125	-2.6%
Devices	36,595	7.0%	31,077	-15.1%
IT Services	15,573	10.5%	14,924	-4.2%
Communications Services	28,744	-1.7%	28,227	-1.8%
Overall IT	90,869	4.7%	83,540	-8.1%

Source: Gartner

COMPANY BUSINESS REVIEW

Your Company's Distribution business is structured under four broad categories; Consumer Business, Enterprise Business, Mobility Business and Services business.

India Operations

Consumer Business (Compute, Print and PC Accessories): The Indian PC market witnessed an impressive year on year (YoY) volume growth of

18.1%, shipping over 11 million units during FY 2019, the highest volume recorded in the last 6 years, on the back of Government schemes of free laptops for school & college students. Increasing customer preference for thinner and lighter machines with enhanced mobility features resulted in the highest-ever annual shipments of Notebook PCs, constituting 67.7% of total PC shipments. Demand for Gaming PCs grew by 51.1% YoY.

Your Company's strategy of offering a bouquet of Compute products from leading PC brands helped it effectively address the underlying demand. Our focus on modern retail and multi-brand retailers, with customized brand-based solutions, enabled your Company outperform the industry. Gaming PC is an important growth segment and our deep engagement with brands specializing in this segment helped us increase our share of the demand from gaming enthusiasts.

Your Company's focus on the growing segment of "Thin & Light" Premium Notebooks helped us increase its share of the High-value product portfolio. This segment is expected to maintain

its growth momentum in the coming years.

The Printing Industry witnessed the continued contraction in the traditional printing segment. However, the Continuous Ink Supply System (CISS) based printers gained adoption due to its significant "cost per page" advantage. Our bouquet of best-in-class CISS printers, coupled with an efficient & assured delivery system of genuine ink-cartridges helped your Company gain market-share in this

product category. Commercial printing segment has increasingly transitioned towards Managed Print Service (MPS) and Print as a service (PaaS), which allows Enterprises a monthly Opex option. We are strongly engaged in this emerging value chain, providing guaranteed and uninterrupted support to our partners towards the Supply of high value Print HW and Consumable.

Enterprise Business: (Products & Solutions encompassing Servers, Storage, Security, Software & Networking) :

India: Evolving continuously with changing customer requirements, the Company's Enterprise Business has emerged as a preferred IT solutions provider for its vendors and its partners. We offer consulting and advisory services across platforms and networks to our partners, coupled with implementation and support across Hardware, Software & Cloud assets; as they endeavor to offer solutions and services to meet the end-user's business needs. With a high degree of competency in the Cloud Solutions and Services space, your Company helps customers transition its IT Infrastructure from Capex to Opex regime.

The server & storage market remained flat in 2019, although demand remained strong in selected sectors like BFSI, Manufacturing, Education and Government. The overall networking market too remained flat, largely on account of the slowdown in telecom spending, while showing significant growth potential due to DC footprint expansion across enterprises.

Organizations that are looking to digitally transform themselves recognize the need to adopt software-based technologies to improve manageability. Technologies like SD-WAN offers a high degree of flexibility and agility in this area. Software market registered a 10% growth with Collaborative Applications, Enterprise Resource Management (ERM) Applications. Content Workflow & Management Applications and Customer Relationship Management (CRM) are the top opportunity areas for the vendor community.



The advent of IoT in Indian enterprises has enabled multiple organizations build use cases around smart processes and improve interoperability. However, increased network speed and lower latencies are crucial for attaining maximum advantage. The introduction of 5G technology would act as a catalyst in driving the adoption of IoT in the coming years.

The growing adoption of software as a service (SaaS) based solutions among the large and SMB segments, the strong emphasis on digital transformation (DX) initiatives, and the customer experience (CX) enhancement, acted as catalysts for the growth of enterprise applications' market in India.

The Cyber Security market in India is expected to grow from \$1.97 billion in 2019 to \$3.05 billion by 2022, a CAGR of 15.6 percent, almost 1.5 times the global rate, according to a pre-COVID joint report by PwC and Data Security Council of India (DSCI). The report coincides with the announcement of the data protection bill by the Government of India. The three main factors driving India's cybersecurity market are digital growth, rising cyber-attacks, and stringent regulatory mandates. The cybersecurity market will be defined by three key sectors—Banking, Financial Services and Insurance Industry (BFSI), Information

Technology and Information Technology-enabled services (IT and ITeS) and Government. Your Company is poised well to take advantage of all emerging growth opportunities.

Your Company is investing, learning and transforming to emerge as an indirect Solution Provider for many Technology Brands in India. We believe that technology practices like Digital Transformation, Cloud Transformation, Hybrid Cloud, Cyber Security, Data Center Modernization, Application Modernization, AI & ML, IoT & Analytics, Enterprise DevOPs & Automation etc., would drive future growth in IT investments.

Mobility Business

Bringing some cheer to the global mobility segment in 2019 was the Indian customers' continuing appetite for Smart Phones. Clocking a 7% YoY growth in smartphone shipments (\$158 million), India replaced the USA to become the second-largest smartphones market in 2019. The growth was propelled by mid-tier segment products with enhanced features. The Average Selling Price grew 5.5% YoY to about ₹ 12,300.

The online channel continued to expand its share on the back of the new launches, discounts, cash-back and other schemes. Still, retail outlets remain the largest channel for mobile phone distribution in India and the most significant Go-To-Market (GTM) channel for long-term success for any brand in India.

Your Company enjoyed a very strong growth in the Mobility segment on the back of the successful launch of new smartphone models and stable business ecosystem.

Going forward, the demand for Smart Phones are expected to remain strong, fuelled by attractive pricing strategy as well as affordability schemes from key vendors. An extended period of social distancing would bring added utility to smartphones, such as online schooling for kids, virtual meetings for executives, etc. These applications are expected to persuade the consumer to upgrade to a new smartphone with added features, memory and storage capacity.

Services

Cloud

India: The Indian Cloud market has started to offer significant growth opportunities, due to several factors: increased customer awareness, consumerization of IT, proliferation of the "start-up" ecosystem, diverse vendor ecosystem, increasing investments in infrastructure, increasing availability of specialized talent, strategic partnerships and the impetus from key Government Digital Initiatives.

Organizations are opening up to multi-cloud environment with increasing adoption of applications through a Software-as-a-Service (SaaS) model. Continued adoption of microservices, containers, and open-source platforms are helping grow the Platform-as-a-Service (PaaS) market in India.

The Indian Infrastructure-as-a-Service (IaaS) market beginning to offer excellent growth potential. Key factors influencing the growth of IaaS in India are:

- Globally competitive, localized IaaS supply ecosystem. Large global vendors - AWS, Google Cloud and Microsoft now have in-country IaaS facilities.
- Improved infrastructure facilities, economic benefits, increased innovation and a vibrant start-up and connected ecosystem, which are more attuned to a "pay-as-you-use" culture.

Your company has a significant early-mover advantage in the Cloud space and its investments in Cloud Infrastructure, Skills & Capabilities in offering Cloud products, services and solutions have positioned it as the Cloud Solution Provider with a difference amongst the vendor and channel community.

The Company's Cloud business has witnessed a high growth trajectory over the past couple of years and FY 19-20 was a break-through year for its Managed Services offerings. Your Company expects to derive significant Earning advantages through its Cloud Services capabilities over the next few years.

Digital Printing:

Digital printing has evolved fast in the past few years and has found acceptance in Photography & the Packaging sectors. Printing photos, especially wedding albums have witnessed a tremendous revolution in adopting digital printing with HP Indigo's unique value-added offerings.

With an installed base of 250+ HP Indigo Presses across 100+ cities, our exclusive partnership with HP Indigo in India offers us a unique business opportunities in offering Digital Printing Solutions.

During FY20, customers printed 1.70 Billion impressions on HP Indigo machines supplied, installed and maintained by your Company. This represented a 12% YOY growth, at a time when traditional printing volumes have witnessed de-growth.

Overseas operations

Over the past decade, your Company's decision to spread its business risk by establishing its presence in Emerging Markets other than India has started paying rich dividends. The Overseas business has become the major contributor to consolidated Revenue and Profit and this is a major enabler for your Company's record of

consistent growth over the past few years.

Overseas Business	YOY Growth	Contribution
Revenue	11%	63%
EBITDA	17%	61%
PAT	10%	73%

Overseas Business	FY 19-20
ROCE	19.80%
Free Cash Flow	₹ 175 Cr

Redington's Overseas operations are carried out through its wholly-owned subsidiaries; Redington International Mauritius Limited, Mauritius (RIML) for addressing the Middle East, Turkey, Africa (META) region and Redington Distribution Pte Limited, Singapore (RDPL), which addresses the South Asian region comprising of Sri Lanka, Bangladesh, Nepal and Maldives, apart from handling "Zero-Duty" business opportunities in the Indian Market.

RIML: META operations contribute a lion's share of Revenue and Profit of your Company's Overseas Business. Redington has been the pre-eminent Distributor of Technology Products &

Solutions in the META region for over a decade and is the leading partner for its Vendors in all the markets where it operates in.

Despite geopolitical challenges, macro-economic issues including substantial currency devaluation in some of its markets and the onset of Covid-19 in Q4'20, your Company's business in META maintained its unblemished track record of double-digit growth in Revenue, EBITDA & PAT. The impact of Covid-19, was experienced initially largely on the supply side, during late January & in February, with factories and ports being progressively shut down, causing delays and shortfalls in shipments. Starting March'20, with the rapid spread of the pandemic and steps taken by most countries to impose the partial/total lockdowns, there was significant impact on the demand-side as well.

Demonstrating a high degree of determination, perseverance and reflecting its leadership position in the region, the Team entrusted with your Company's business across META geographies delivered a double-digit Revenue growth across all four business verticals; Consumer, Enterprise, Mobility & Cloud.



Our value added offerings: HP Advanced Printers

In the Consumer Business, your Company's META operations consistently outperformed the Industry, thereby gaining PC market share across the region. It is the largest distributor not only for all major PC brands but across most GTM categories. Its leadership position in Consumer business can be attributed to meticulous, category-wise stock planning and a finely tuned order execution & delivery engine that offers industry-leading TATs in the region. The Enterprise Business, across META, led with even stronger growth, with increased demand across technology practices – Cybersecurity, Network infrastructure and Cloud. With its **state-of-the-art Executive Experience & Briefing Centre, REDVAULT** – a unique Video-wall facility for demonstrating Proof-of-Concept for technology practices & solutions, your Company offers its partners and their customers an opportunity to experience technology concept demos hands-on.

Growth in META Enterprise Business during FY 2019-20 resulted from significant spends in IT infrastructure in most of the markets that your Company operates in. However, impact of COVID-19, and a sharp decline in oil prices, is likely to result in slowing down of IT investments and consequently, lowering of demand for Enterprise products and services during FY 21.

The META operations of your Company has always had a very strong focus on

Working Capital Management (WCM) and Business Hygiene (BH) and it intends to continue to keep these as priority areas, as we move into the post-COVID-19 era.

Your Company's business in Turkey showed strong recovery over the previous year, on the back of an increase in demand as well as a relatively non-volatile exchange rate.

A consistently high double-digit growth across all metrics has been the hallmark of your Company's META operations over the past 5 years and is the foundation for the consistent and unbroken growth record in Consolidated Revenue, EBITDA & PAT

META Operation	FY 19-20
Parameters (in ₹ Crores)	CAGR FY '16 to FY '20
Revenue	14.20%
EBITDA	12.20%
PAT (AMI)	15.70%

RDPL: RDPL operations during FY 2019-20 faced significant challenges due to a clear shift in business from hardware to software, subscription and services. This impacted the Zero-duty business in India, the mainstay of RDPL Revenue, as Indian customers started transitioning from duty-free imports to Rupee purchases. Reduction in India's corporate tax, depreciation of INR and reduced interest rates have made India

a highly competitive market and this has also prompted some of the major Vendors to move their Zero-duty billing model to ex-India billing, further impacting RDPL's available business opportunity.

The aftermath of the tragic events during Easter in April 2019 caused appreciable economic slowdown and created a difficult business environment in Sri Lanka. This, combined with a significant depreciation of Sri Lankan currency led to de-growth in Revenue and Profit for your Company's Sri Lanka operations during FY 2019-20.

On the positive side, the Bangladesh market saw revenue growth from infrastructure and software-related products, mainly on account of business from verticals like Government, Telecom and BFSI. Your Company also gained revenue opportunities due to new brand relationship with vendors like Oracle & Dell/EMC.

FINANCIAL REVIEW Consolidated Financial Performance

The consolidated financials of the Company and its subsidiaries ("The Group") have been in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The consolidated financial statements are presented in Indian Rupees (₹) which is the functional or presentation currency. The financial information presented in Indian Rupees has been rounded off to the nearest Crore unless otherwise indicated.

Segment-wise Performance

The Company has identified "India" and "Overseas" as operating segments, in accordance with Ind AS 108. The reported operating segments:

- Engage in business activities from which the Group earns revenues and incurs expenses.
- Have their operating results regularly reviewed by the entity's



Red Vault – Customer Briefing Centre, Dubai

chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

- Have discrete financial information available

Analysis of the Consolidated Financial Performance

The Financial year 2019-20 has been good despite the challenges faced by the Company. In March 2020, the World Health Organization declared the COVID-19 to be a pandemic. Your 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. In view of the pandemic relating to COVID-19, your Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including, trade receivables, inventories and other current / non-current assets (net of provisions established) for any possible impact on the consolidated financial statements. Your Company has also assessed the impact of this situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment; this situation does not materially impact these consolidated financial statements of the Group. Your Company will continue to closely monitor any material changes to future economic conditions and is hopeful of coming out of the challenge successfully.

Apart from COVID-19, there were also challenges due to market environment in the India segment and geo-political/ currency-related challenges in the overseas segment. There was a depreciation in a few currencies against US \$ especially in Turkish lira during the financial year. Despite all these challenges, your company grew both its revenue and profits compared to the previous financial year.

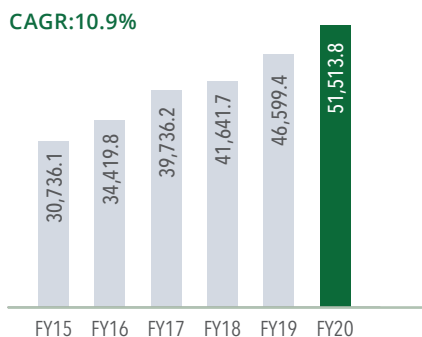
Revenue

Revenue crossed ₹50,000 Crore during the financial year 2019-20 in spite of the COVID-19 impact and

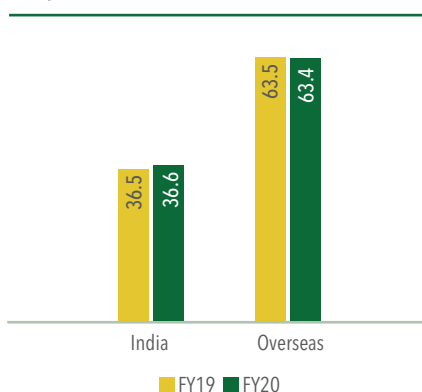
subdued performance by ProConnect. Consolidated revenue grew by 10.6% during the financial year 2019-20. All business verticals registered growth. IT business grew by 1.8%, mobility business grew by 26.5% and services business grew by 9.4%.

Revenue Growth

₹ in Crores



Revenue contribution by Geography



During the year, India business grew its revenue by 10.3% and overseas business by 10.7%.

Gross Margin

Gross margin grew by 2.8% (5.6% of revenue) during the financial year 2019-20 over the financial year 2018-19 (6.0% of revenue). Reduction in consolidated gross margin percentage is on account of a lower gross margin percentage from the India segment. India segment gross margin percentage reduced to 6.4% in the financial year 2019-20 from 7.2% due to lower contribution by ProConnect in the financial year 2019-20 compared to the previous financial year. ProConnect gross margin reduced due to loss of

contracts in subsidiary companies and loss of revenue due to the COVID-19 impact.

Overheads

The consolidated overheads reduced by 1.7% in the financial year 2019-20 in spite of revenue growth of 10.6% and an increase in the average exchange rate of US \$ by 2%. The reduction in cost was possible due to various cost control initiatives implemented by the company.

Employee Costs

Employee cost increased by 8.2% during the financial year 2019-20 due to:

- Increase in the average exchange rate of US \$ by 2%.
- Acquisition of Auroma in the India segment.
- Increment to the employees across geographies.

Other Expenses

Other expenses reduced by ₹90.1 Crores in the financial year 2019-20 in spite of the increase in the average exchange rate of US \$ by 2% and write-off of ₹32.6 Crores of advances paid to a service provider, in India segment. The reduction in other expenses is due to the ensuing reasons:

- Reclassification of rent cost as depreciation of leasehold asset and interest cost as per Ind AS 116, the impact of which is ₹72.6 Crores.
- Decrease in sales promotion expenses in India Segment due to change in arrangement with certain vendors, the impact of which is ₹97.6 Crores
- Lower forex loss in overseas segment as compared to the previous year, the impact of which is ₹18.6 Crores

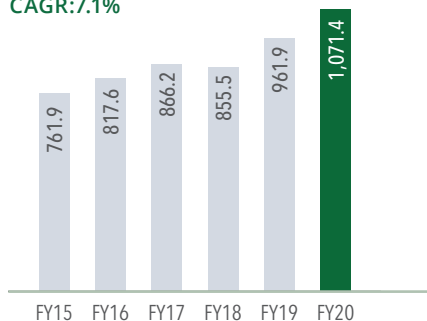
EBITDA

EBITDA grew by 11.4% during the financial year 2019-20 with a CAGR of 7.1% over the past 5 years. EBITDA growth is higher than the gross margin growth primarily on account of reclassification of rent cost as per Ind AS 116. EBITDA growth without Ind AS impact for the financial year 2019-20 is 3.8%. Reduction in EBITDA is due to reduction in gross margin by 0.8% and write-off of advances in India segment.

EBITDA

₹ in Crores

CAGR:7.1%



Finance Costs

Finance costs increased by ₹14.9 Crores during the financial year 2019-20 primarily due to reclassification of rent cost as interest cost per Ind AS 116, the impact of which is ₹20.6 Crores. Sans the impact of Ind AS 116, finance cost reduced due to reduction in average working capital utilization and lower interest rates in the India segment. Working capital days as of balance sheet date reduced significantly by 16 days in India segment, 1 day in overseas segment and 6 days at consolidated level.

Profit before tax (PBT)

PBT grew by 11.1% during the financial year 2019-20 with a CAGR of 4.5% over the past 5 years.

Strong growth in PBT in spite of moderate growth in EBITDA (3.8% without the impact of Ind AS 116) is primarily due to impairment loss of ₹ 71.1 Crores taken during the financial year 2018-19 in the books of Redington Gulf FZE (RGF). Redington Gulf FZE (RGF) carried out an impairment exercise of its investment in its subsidiary at Turkey, Arena Bilgisayar Sanayi Ve Ticaret A.S (Arena) due to the deteriorating economic situation in Turkey. Turkey has delivered growth both in revenue and profits during the financial year 2019-20.

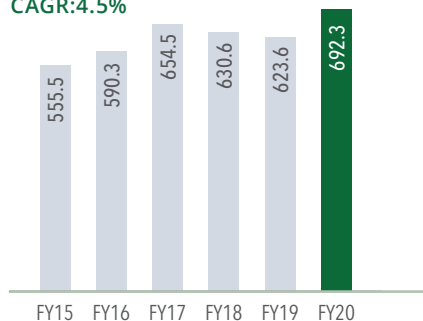
Impairment losses recognized during the financial year 2019-20 towards investments in India and overseas is ₹ 4.7 Crores

PBT grew by a modest 0.4% during the financial year 2019-20 without considering the above impairment losses.

PBT

₹ in Crores

CAGR:4.5%



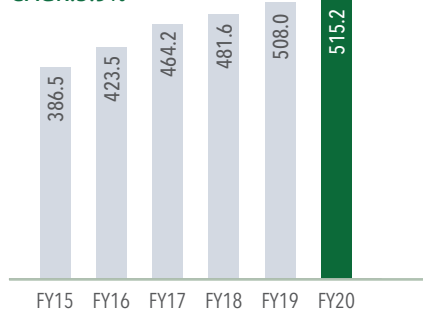
PAT

PAT grew by 1.5% during the financial year 2019-20 with a CAGR of 5.9% over the past 5 years. PAT grew at a higher percentage than PBT (0.4% without considering one-time impairment loss) due to the revised lower taxation rate in India segment.

PAT

₹ in Crores

CAGR:5.9%



Key Ratios

Particulars	FY 2019-20	FY 2018-19
ROCE (Net of cash) (%) *	19.3	19
ROCE (Gross) (%) *	14.4	16.5
Return on Average Equity (%) **	12.6	13.7
Book Value/ Share (in ₹)	110.3	99.8
EPS (in ₹)	13.2	12.8
Interest Cover (Times)	4.2	4.4
Gross Debt : Equity (Times) ***	0.5	0.3
Net Debt : Equity (Times) ***	0.03	0.1

* ROCE represents return on average capital employed. Goodwill has been excluded and Capital reserve has been included for computation of ROCE.

**ROE represents the return on average equity. Goodwill has been excluded and Capital reserve has been included for computation of ROE.

*** Equity for computation of Debt: Equity represents equity attributable to the shareholders of the Company and Non-controlling interest. Goodwill has been excluded and Capital reserve has been included for computation of Debt: Equity.

Cash flow

Operating activity

Cash generated from the operation during the financial year, 2019-20 was ₹ 965.7 Crores. Working capital was well managed throughout the year in both in India and in Overseas Segment, resulting in positive cash flow from operation.

Investing activity

Cash from investment activities was negative at ₹ 57.5 Crores during the financial year 2019-20 largely due to investment in SAP during the year.

Financing activity

Cash flow from financing activity was positive at ₹443.3 Crores despite payment ₹352.9 Crores of dividend.

ROCE

Return on capital employed reduced in the financial year 2019-20 due to lower EBIT owing to onetime write-off in India segment and losses owing to COVID-19.

ROE (Return on Network)

Return on Average Equity has marginally dropped, due to lesser earnings growth in the current year. Lower growth in earnings is majorly due to one-time write off during the year and COVID-19.

Book Value per share

Book value increased by ₹10.5 due to higher EPS of ₹13.2 per share, despite higher dividend payment in the financial year 2019-20.

EPS

EPS increased in the financial year 2019-20 due to the delivery of profit growth at consolidated level.

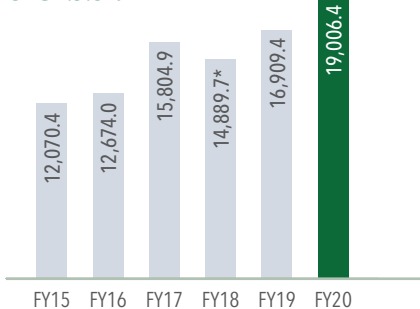
Standalone Financial Performance

Revenue

Revenue grew by 12.4% during the financial year 2019-20 with a CAGR of 9.5% for 5 years. While the Company performed well during the year, it was mainly driven by mobility business which grew strongly by 51%. Revenue grew despite the loss of few days in April 2019, on account of implementation of SAP and 9 to 11 days in March 2020 on account of lockdown imposed by the Indian Government due to COVID – 19 pandemic.

Revenue ₹ in Crores

CAGR: 9.5%



*De-grew due to a reduction in selling price on account of introduction of GST.

Other income grew by 542% during the financial year 2019-20 on account of dividend received from subsidiary companies.

Gross Margin

Gross margin increased from 5.0% to 6.0% during the financial year 2019-20 on account of dividend income of ₹ 350.4 Crores received from subsidiaries which contributed to 1.80%.

Gross margin from business dropped by 0.21% due to:

- Change in sales mix.
- Change in the arrangement with certain vendors where sales promotion expenses were reimbursed as expenses which were earlier earned as gross margin

Expenses

Employee benefit expense

Employee cost increased by 3.9% during the financial year 2019-20 due to

- Increase in compensation and incentive to employees representing 2.9%.
- Increase in actuarial valuation for employee benefits representing 1.0%.

The Company continued its strategy of exercising strict caution on its headcount in the Core business while continuing to invest in new-age business verticals.

Other expenses

Other expenses decreased by 33.5% during the financial year 2019-20 due to:

- Decrease in sales promotion expenses by 26%. Certain vendors changed the arrangement to reimburse sales promotion expenses which were earlier earned as gross margin.
- Implementation of various cost-saving measures including consolidation of warehouses.

Several cost measures were initiated and the expenses were judiciously spent to improve operational leverage, which aided in reducing the overall expenses during the financial year 2019-20.

EBITDA

EBITDA grew by 19.2% during the financial year 2019-20 excluding dividend income from subsidiaries. EBITDA growth is higher than the revenue growth due to:

- Growth in gross margin as adjusted for change in vendor arrangement for sales promotion expenses.
- Reduction in other expenses due to implementation of various cost saving initiatives.

Finance Costs

Finance costs decreased by 13.8%, due to:

- Decrease in interest rates which contributed to a decrease of 8%.
- Reduction in working capital (leading to a reduction in debt)

which contributed to a decrease of 5%.

Interest cover ratio increased to 3.6 times during the financial year 2019-20 as against 2.7 times for the previous financial year due to a decrease in interest cost and higher profits.

Profit before Tax (PBT)

Excluding dividend income from subsidiaries, PBT grew by 33% during the financial year 2019-20. Higher growth in PBT as compared to growth in revenue is due to:

- Higher growth in EBITDA as compared to revenue growth.
- Decrease in interest cost despite growth in revenue

Profit after Tax (PAT)

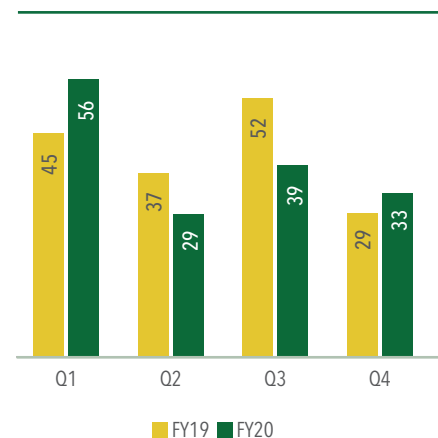
Profit after tax grew excluding dividend received by 47.1% during the financial year 2019-20 due to:

- Higher growth in PBT as compared to revenue growth.
- Change in effective tax rate from 32.6% to 21.8%.

Cash Flow Statement

Working capital was well controlled during the financial year 2019-20 which resulted in positive cash from operation of ₹ 239.7 Crores. Working capital in the business reduced even with revenue growth of 12.4%. Cash flow from investment activity was ₹ 348.6 Crores for the financial year 2019-20, due to dividend received from subsidiaries.

Working Capital Days* ₹ in Crores



*Working capital days represent net of factoring for FY 19.

Funds Employed

Shareholder funds increased from ₹ 1,603.9 Crores to ₹ 1,801.8 Crores as on March 31, 2020, on account of profit after tax of ₹ 489.6 Crores and the dividend paid amounting to ₹ 295.70 Crores.

Increase in gross borrowing to ₹ 1,172.3 Crores from ₹ 830.6 Crores is on account of higher cash reserve of ₹ 617.3 Crores as on March 31, 2020. Cash reserve had to be maintained to meet any contingency that may arise due to COVID - 19 pandemic.

Net Debt as on March 31, 2020 was ₹ 555.1 Crores compared to ₹ 709.4 Crores as on March 31, 2019.

Net Debt equity ratio as on March 31, 2020 was 0.31 times as compared to 0.44 times as on March 31, 2019. The decrease in the debt-equity ratio is on account of a reduction in working capital and increase equity on account of higher profit after tax.

The Company is favorably poised to capture any upswing in the business opportunity in the ensuing years, without any need for additional equity capital.

ROCE

Return on Capital Employed has increased from 19.2% to 21.1%, due to increase in earnings in the financial year 2019-20.

ROE (Return on Networth)

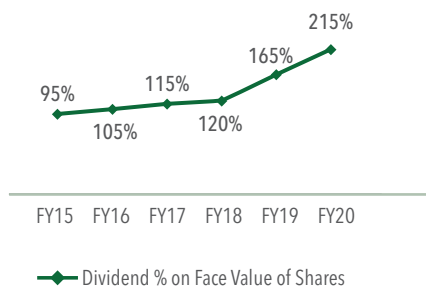
Return on Average Equity has increased from 14.6% to 24.6%, due to increase in earnings in the financial year 2019-20.

Dividend

The Company paid interim dividends during the financial year. A first interim dividend of ₹ 1.50/- per share (75% of the face value of the shares) was paid during the third quarter and a second interim dividend of ₹ 2.80/- per share (140% of the face value of the shares) was paid during the fourth quarter.

Dividend Distribution

CAGR:5.9%



Book value and Earnings per Share

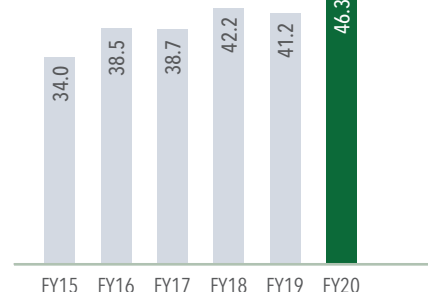
The book value per share increases from ₹ 41.2/- per share to ₹ 46.3/- per share, mainly on account of growth in standalone profits and dividend income during the year.

The earnings per share increased by 228% for the year ended March 31, 2020 to ₹ 12.58 per share as compared to ₹ 3.84 per share during the previous financial year. The increase is on account of increase in standalone

profits and dividend income as stated above.

Book value per share

CAGR:5.9%



RISK MANAGEMENT

Operating in the field of technology distribution across several countries and geographies, Redington India identifies its primary risks to fall under three broad categories namely inventory risk, receivable risk and currency risk. The company deploys adequate mitigation measures and management oversight to safeguard stakeholders' value at all times.

Risks	Mitigation Measures	Business Outcome
Inventory Risk	Stock Rotation Price protection Marketing Support Prudent Provisioning	Annual Inventory provisioning at 0.04% of Revenue over the last 10 years
Receivables Risk	Post-dated Cheques Credit Insurance on Accounts Receivables Performance linked pay-out only on collection Strict internal parameters for overdue and bad debts	Annual AR Provisioning at 0.10% of Revenue over the last 10 years
Currency Risk	Hedging all exposures India: ~84% of purchases in rupee dominated invoices, Forward cover for the rest with premium becoming a part of COGS MEA: Currencies pegged in US \$ and US \$ denominated transactions MEA: Effective forward controls and local currency borrowings	Consistent business performance despite fluctuating currencies

The Company is developing a robust module to identify, assess, mitigate & monitor risk elements at the Enterprise level. The Enterprise Risks are classified into three broad categories namely, Business Risk, Financial Risk and Operational Risk. The model is being built to strengthen our core philosophy of 'de-risking the continuum' that long formed the bedrock of Redington's business. The Company's diversified market presence, comprehensive product portfolio with three layers of core businesses, emerging businesses and adjacencies, and extensive Vendor contracts help it de-risk itself in areas of geographical risks, product & technology obsolescence, over-dependence on a particular vendor and product/ solution segment, to a great extent.

INTERNAL CONTROL SYSTEMS

Your Company has put in place adequate mechanisms of internal controls of checks and balances that are commensurate with the nature and size of its business. A detailed presentation on the Company's internal control is made in Annexure A of the Board's Report, forming part of this annual report.

HUMAN RESOURCE DEVELOPMENT

For well over two and a half decades, your Company's record of consistent growth can only be attributed to

the highly spirited, committed and competitive talent pool it is privileged to enjoy. It is the collective resolve and strength of your Company's Human Capital, which has been instrumental to it successfully delivering on its continuous value creation strategy.

The total number of employees in the Company stood at 1,561 as on March 31, 2020. During FY 19-20, your Company accelerated its Human Capital enrichment program through increased digitization, intensified training and development and a sharper focus on building skills & capabilities in Emerging Technologies. Your Company's objective in its Human Capital Management is to ensure that its talent pool is "future-ready" while also infusing the best accessible fresh talent.

The adoption of digital technology and processes across functions was intensified during fiscal '20. Continuing digitization is aimed at making processes seamless, elevating user experience and HR functions more accessible and accountable. A digitized Performance Management System monitors and measures performance & productivity indices and guides the Rewards & Recognition Program.

Your Company ensures that it is continuously in compliance with necessary statutory norms, as

mandated by the local laws and the vendor contracts. Interactive video modules of some of the compliance norms are available to employees and are re-iterated on a regular basis, to ingrain the importance of the Company's adherence to Compliance Obligations.

To address the health challenges posed by COVID-19, your Company voluntarily declared 100% work from home (WFH) even before the formal lockdown was announced by the Government. Your Company took all possible steps to reassure its employees about their job continuity. Team leaders remained in constant touch with their team members, keeping track of their well-being and morale. Your Company ensured all possible support to its employees in the event of any emergency.

Your Company will continue to maintain its focus on Human Capital Management & Development, as it considers its people resources central to meeting its business objectives.

BUSINESS OUTLOOK

The impact of COVID-19 on the global economic landscape is expected to be temporary yet widespread and substantial. The pace of the recovery is likely to vary across the geographies and supply chains may remain disrupted for some time to come. Going by the immediate response to the lockdown, where WFH necessitated the global ICT infrastructure to remain robust and infallible. Some technology products and solutions have transcended from the discretionary and aspiration brackets to now become mandatory requirements. As the world progressively unlocks over the next couple of months, homes will emerge as quasi-workplaces, quasi-schools, quasi-convention centers, virtually positioning ICT products & technologies into the "essential" category.

In the medium-term global ICT spends are likely to contract. Dual constraints inflicted by Lockdowns – supply-side and demand-side – are likely to weigh heavily on the actual numbers.



Diwali Celebration

Yet, fundamentally, the ICT industry will act as an enabler and a catalyst to help the world adapt quickly to the changed circumstances, allowing businesses and social activities to be conducted in different forms. This will only strengthen its penetration into every aspect of socio-economic milieu. Investments in Connected Living, Cyber Security, Video Calling / Conferencing, Digital and Enhanced User Experience would ensure recovery of ICT spends sooner, rather than later.

From opportunity standpoint, there are abundant drivers which will help resuscitate the demand growth for your Company's bouquet of Technology Solutions, Services Company's bouquet and Products.

India Business Growth Drivers

- India's march towards becoming a trillion-dollar economy by 2025
- Rapidly growing digital economy, which is likely to contribute 18–23% of overall economic activity by 2025, with more than half coming from demands due to new and emerging digital ecosystems

- COVID 19 impact – Companies are likely to prioritize investments in Security, Collaboration, Mobility & Cloud
- The smartphone market in India is expected to expand at a CAGR of ~14.6% between FY 2018 and 2023
- Enterprise Networking to become a \$3.6 billion market by 2024
- India's public cloud market could reach \$8.0 billion by 2023
- India's overall software market is estimated to grow at a CAGR of 14.1% between FY 2018 and 2023
- IT Services market will grow at a CAGR of 8.6% between 2019-2023 to reach \$14.0 billion by the end of 2023
- The Cyber security market is expected at a CAGR of 15.6% to \$3.1 billion by 2022
- SMB spending on IT hardware, software, and services, including business services, is expected to reach \$684.0 billion in 2021 at a CAGR of 7%.
- In FY 2018, India's Digital Transformation market generated

a revenue of \$24.5 billion. It is projected to advance at a CAGR of 74.7% during the period 2019 – 2024.

Overseas Business Growth Drivers

- Government ICT spending in MEA to reach \$15 billion by 2023
- Consumer IT spending in META will total \$43 billion in 2021, with mobile phones contributing 80% of the value
- Enterprise spending on AI in the Middle East and Africa is expected to grow at a CAGR of 22.0% to reach \$530 million in 2022
- IoT spending in the MEA region will grow 15.9% year on year in 2019 and reach \$18 billion by 2023
- The Middle East and Africa Cybersecurity market is predicted to expand at a CAGR of 11.9%, and is expected to be valued at \$23 billion by 2023
- Digital Transformation spending in META set to top \$38 billion by 2021
- The Cloud market in the Middle East and Africa regions are projected to grow 24.0% a year on average, reaching \$5 billion in 2022



Investor and Analyst Meet 2019

Your Company is very well positioned to take advantage of all the growth opportunities that the evolving socio-economic landscape has to offer. Its investments in technology, skills and resources ensures that your Company will emerge stronger from the current challenges and will continue its growth momentum.

These are unprecedented times and the challenges faced by countries, organizations and individuals are grave in nature. Your Company's talented and committed Leadership Team is making determined efforts to ensure that Redington seizes all possible business opportunities to maintain its performance record and continues to deliver shareholder value.

BOARD'S REPORT

To the Members,

Your Directors are pleased to present their Twenty Seventh Annual Report together with the Audited Financial Statements of Redington for the financial year ended on March 31, 2020.

The Directors feel that it is appropriate to present the consolidated financial performance of the Company in the manner set out below:

(Figures in ₹ / Crore)

Particulars	2019-20			2018-19		
	India Consolidated	Overseas Consolidated	Redington Group	India Consolidated	Overseas Consolidated	Redington Group
Revenue from operations	18,789.7	32,675.5	51,465.2	17,021.0	29,515.2	46,536.2
Other Income	29.8	18.8	48.6	47.8	15.4	63.2
Total Revenue	18,819.5	32,694.3	51,513.8	17,068.8	29,530.6	46,599.4
Total Expenses:						
a) Cost of goods sold	17,608.0	31,040.3	48,648.3	15,841.5	27,971.3	43,812.8
b) Employee Benefits	209.0	574.8	783.8	201.2	523.0	724.2
c) Other Expenses	584.0	426.3	1,010.3	622.9	477.6	1,100.5
Profit before Interest, Depreciation and Tax	418.5	652.9	1,071.4	403.2	558.7	961.9
a) Interest Expenses	122.0	97.0	219.0	128.8	75.4	204.2
b) Depreciation & Amortization Expenses	72.9	82.5	155.4	21.8	41.6	63.4
Profit before Tax and exceptional item	223.6	473.4	697.0	252.6	441.7	694.3
Exceptional item - Impairment of goodwill and other intangibles	3.6	1.1	4.7	-	71.1	71.1
Profit before tax	220.0	472.3	692.3	252.6	370.6	623.2
Tax Expense	82.2	76.2	158.4	87.0	51.9	138.9
Minority Interest	(1.5)	20.2	18.7	1.2	(24.7)	(23.5)
Profit after Tax	139.3	375.9	515.2	164.4	343.4	507.8

Your Directors have made the following appropriations out of the standalone profits of the Company:

(₹ in Crore)

Surplus in the Standalone Statement of Profit and Loss	
Balance as per the last Balance Sheet as on March 31, 2019	1,200.87
Less: Adjustment on initial application of Ind AS 116 (net of taxes)	(3.50)
Adjusted Balance	1,197.37
Add : Profit for the financial year 2019-20	489.60
Less : Final dividend paid (FY 2018-19) at ₹3.30 per share	(128.40)
Less : First interim dividend paid (FY 2019-20) at ₹1.50 per share	(58.36)
Less : Second interim dividend paid (FY 2019-20) at ₹2.80 per share	(108.94)
Less : Dividend Distribution tax on Dividends paid*	-
Balance at the end of the year as on March 31, 2020	1,391.27

* Net of the Dividend Distribution Tax credit of ₹60.78 Crore on account of dividends received from subsidiary companies.

FINANCIAL PERFORMANCE OF THE COMPANY

The Standalone and Consolidated Financial Statements of Redington for the financial year 2019-20 have been prepared in accordance with the Indian Accounting Standards (Ind AS) as required under the Companies Act, 2013.

The consolidated revenue of the Company was ₹51,513.8 Crore as against ₹46,599.4 Crore in the previous year registering a growth of 10.5%, while the consolidated net profit for the year grew by 1.5% to ₹515.2 Crore for the financial year 2019-20 as against ₹507.8 Crore in the previous financial year.

The Earnings per Share (EPS) on a consolidated basis (based on weighted average number of shares during the year) increased to ₹13.24 for the financial year under review as compared to ₹12.80 for the previous financial year.

A detailed analysis on the financial performance of the Company is given as part of the Management Discussion and Analysis report, which forms part of this report.

Statement on the salient features of the financial statements of Subsidiaries and Associate Companies in the prescribed Form AOC 1 is appended as part of this report. The details of the subsidiaries incorporated/acquired, if any, during the financial year under review are given as part of notes to the consolidated financial statements.

Dividend

To reaffirm Redington's commitment of returning surplus funds to its shareholders and in recognition of its financial and business performance during the financial year 2019-20, the Board had declared two interim dividends totalling to ₹4.30 per equity share (i.e. 215% of the Face Value). Considering this, the Board did not recommend any final Dividend for the financial year 2019-20.

The total dividend pay-out was ₹4.30 per equity share (i.e. 215% of the Face Value) for the financial year under review as compared to ₹3.30 per equity share (i.e. 165% of the Face Value) for the previous financial year.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Board has approved and adopted a Dividend Distribution Policy, detailing the parameters to be considered by the Board for recommendation or declaration of dividend. The Dividend Distribution Policy of the Company is available on the Company's website and also enclosed as *Annexure K* to this report.

BUSINESS PERFORMANCE

Discussion on the Company's Standalone business performance in India forms part of the Management Discussion and Analysis Report, which is annexed to this Annual Report.

Indian Subsidiaries

Proconnect Supply Chain Solutions Limited

Logistics plays a significant role in the overall development and growth of an economy. The fragmented nature of the Indian logistics and supply chain sector coupled with low adoption of technology and global best practices offers significant opportunity for professional logistics players like ProConnect. Government's push on modern infrastructure, dedicated economic corridors and making India a global manufacturing hub would continue to aid a rapidly evolving logistics sector for a fairly long period of time. Cognizant of the issues restraining the sector, the Government is fast developing the National Logistics Policy. With large scale logistics-enabling projects such as Bharatmala, Sagarmala, Dedicated Freight Corridors underway, the sector needs to come of age in order to reap their true benefits over a sustained period of times.

In the backdrop of steadily slowing economic activities and consumer demands in FY 2019-20, ProConnect Supply Chain Solutions Limited (ProConnect) intensified efforts to sustain its market share amid intense competition. With focus on specialized service and high-margin business, ProConnect serves clients from key verticals such as Pharma, Electrical & Electronics, Apparels, e-Commerce, Automobile and Mission Critical Services. During the course of the year, ProConnect continued to focus on warehousing and value-added solutions for its clients. The focus in case of transportation was more on part truck load, trimming the thin margin earning FTL (Full Truck Load) lanes.

Rajprotim Supply Chain Solutions Limited (Rajprotim), a wholly owned subsidiary company of ProConnect, is a key player in the east and north-eastern region of India. Auroma Logistics Private Limited (Auroma), another wholly owned subsidiary of ProConnect, focuses on Consumer Durables segment especially in the southern region as Key Player. Rajprotim faced huge losses and is now in the process of reducing the costs to reduce its losses and on the path to recovery.

Steady digitisation and modernisation of supply chain processes remained the core improvement theme. A robust ERP system was rolled out in ProConnect in FY 2018-19 and steps were taken to introduce it in its subsidiary companies during FY 2019-20.

The revamp of the Business Development team was accomplished with infusion of seasoned talent from key focus sectors. We moved away from geography-wise structure to an industry vertical wise alignment of our Business Development function. An international team is also being set up to focus solely on Mission Critical Services.

The year was marked by unique challenges such as e-Commerce clients moving to a different business model and COVID-19 induced disruptions and distortions across the entire ecosystem. With the spread of the pandemic in India, FY 2020-21 is bound to witness a slow recovery. However, we are optimistic of a resilient performance on the back of stakeholders' support, our high Adversity Management Quotient, focus on adding new customers and expanding our wallet share within our existing customer base.

Ensure Support Services (India) Limited

Ensure Support Services India Limited (ESSIL), another wholly owned subsidiary company of Redington, is in the business of providing post-sales support including warranty and post warranty services to leading brands in IT, Mobility and Medical products. Apart from supporting brands for the break-fix services, ESSIL also provides Infrastructure Management Services, E-Waste Management Services, and Managed Print Services. Considering the declining margins in traditional IT and Mobile break-fix services, ESSIL is continuously putting efforts to automate, deploy better delivery models and add new product verticals to keep the business profitable and scalable. It has been investing time and resources to build high value services to meet this objective.

Indian Associate

Redington (India) Investments Limited, an associate company of Redington, operated Apple retail stores in South India and online B2B business through its wholly owned subsidiary, Currents Technology Retail (India) Limited (Currents). Since Currents business has made continuous loss, during the year, it has completely exited the retail business operation. Accordingly, restructuring options including proposal for winding up is being considered and evaluated.

Overseas Operations

Redington's overseas operations are carried out through two wholly owned subsidiaries; Redington International Mauritius Limited, Mauritius (RIML) addressing Middle East, Turkey, Africa (META) region and Redington Distribution Pte Limited, Singapore (RDPL) addressing the South Asian region comprising of Sri Lanka, Bangladesh, Nepal and Maldives markets.

In spite of several adversities and volatilities in the operating environment, including continuing geo-political challenges and the onset of COVID-19 in Q4 2020, the overseas business in META continued to record growth in revenues and profits. The impact of COVID-19 pandemic was visible from January/ February, largely on the supply side with factories and ports getting closed and consequent delays in scheduled shipments. With the rapid spread of the corona virus since March 2020, the imposition of partial/ total lockdowns in most of the countries led to the impact being felt on the demand side as well.

Redington's overseas business grew revenues across both IT and Mobility verticals. Enterprise business led the growth with increased demand across key product segments of cybersecurity, network infrastructure and cloud. This demand was led by significant IT infrastructure spending in most of the markets that we operate in. With the spreading of COVID-19 coupled with a sharp decline in oil demand and prices, we expect the demand for our range of products, solutions and services to be lower during FY 2020-21. Our business in Turkey showed a strong recovery in FY 2019-20 over the previous year on the back of an increase in demand as well as a relatively non-volatile exchange rate.

The Company continued its focus on working capital management and business hygiene amidst the multitude of challenges, and will continue to keep these as priority as the company navigates the COVID-19 inflicted disruption in FY 2020-21 and beyond.

Overseas operations of RDPL were challenged by significant macro-economic issues in many of its operating markets. There is a very clear shift in business moving from hardware to software, subscription and services. Consequently, business opportunity that can be done out of Singapore has got compromised. The opportunity has further narrowed down to few industry verticals like IT/ITES, Telecom.

On account of reduction in India's corporate tax, depreciation of INR and interest rates going down, India has become a highly competitive investment destination. Consequent to this, OEMs/vendors are changing their billing model directly to India. Hence, business opportunity that can be done out of Singapore is getting affected because of above cited reasons.

FY 2019-20 proved to be a very challenging year for RDPL, largely impacted by the unfortunate Easter violence of April 2019 and its consequent fallout in the form of economic slowdown and difficult business conditions. FY 2019-20 also witnessed a significant depreciation of Lanka rupee. These factors resulted into de-growth in revenue and profit for our Lanka operations.

On the positive side, we recorded revenue growth in Bangladesh market. It came from infrastructure and software related products, largely aided by verticals like government, telecom and BFSI and on account of new brand relationship with vendors like Oracle, Dell/EMC.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The details of changes in the Directorships during the financial year 2019-20 is given below:

I. Appointment:

Ms. Anita P Belani (DIN: 01532511) was appointed as a Non-Executive Independent Director (Additional Director) for a period of three years with effect from April 1, 2019. Her appointment was approved and regularized at the Annual General Meeting held on July 30, 2019. The Board is of the opinion that Ms. Anita P Belani possesses high level of integrity and has rich expertise and experience in managing human capital.

Mr. S. V. Krishnan (DIN: 07518349), Chief Financial Officer was appointed as Whole Time Director (Additional Director) for a period of three years with effect from May 22, 2019. His appointment was approved and regularized at the Annual General Meeting held on July 30, 2019.

II. Re-appointment:

Prof. J. Ramachandran (DIN: 00004593), Mr. V.S. Hariharan (DIN: 05352003) and Mr. Keith WF Bradley (DIN: 06564581) were reappointed as Independent Directors on the Board for a second term till March 31, 2024 at the Annual General Meeting held on July 30, 2019.

III. Resignation:

Mr. E. H. Kasturi Rangan (DIN: 01814089), Whole Time Director resigned from the services of the Company with effect from May 22, 2019. He has been appointed as Managing Director of ProConnect Supply Chain Solutions Limited, a Wholly Owned Subsidiary of the Company. The Board acknowledges his contribution to the Company during his tenure.

Based on the terms of appointment, Mr. Tu, Shu-Chyuan (DIN: 02336015) and Ms. Chen, Yi-Ju (DIN: 08031113), Non-Executive Directors of the Company, are liable to retire by rotation, and being eligible, have offered themselves for re-appointment. The resolutions for their re-appointment are included in the Notice calling for the Annual General Meeting. Brief profiles of these Directors are furnished as Annexure to the Notice.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors of the Company, after due enquiry, confirm that:

- a) In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with the requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Annual Accounts have been prepared on a 'going concern' basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

Statutory Auditors

At the 24th Annual General Meeting of the Company held on July 29, 2017, the members of the Company had approved the appointment of M/s BSR & Co. LLP (BSR), Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company, until 29th Annual General Meeting of the Company.

The Statutory Auditors have issued their reports on the Standalone and Consolidated Financial Statements of the Company and these are appended here to this report. The Statutory Auditors' Reports on the Standalone and Consolidated Financial Statements do not contain any qualification, reservation or adverse remark.

Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with relevant rules made thereunder, the Company had appointed Ms. CS R Bhuvana, Practising Company Secretary, to conduct secretarial audit of the Company. The secretarial audit report in Form MR-3 is enclosed as *Annexure G* to this report. There are no qualification, reservation or adverse remark made by the Secretarial Auditor in her report.

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor have reported any instances of fraud committed against the Company to the Board/Audit Committee under Section 143(12) of the Companies Act, 2013.

Cost records and Cost Audit

Maintenance of Cost Records and requirement of Cost Audit as prescribed under Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

OTHER REPORTS

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, reports on the Corporate Governance, Business Responsibility and Management Discussion and Analysis are attached to this Annual Report.

DISCLOSURES

Board and its committees

The details of the composition of the Board and its committees and various meetings held during the financial year are given in the Report on Corporate Governance that forms part of this Annual Report.

Independent Director Declaration

All the Independent Directors of the Company have given declaration that they fulfil "independence" criteria, stipulated in the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Internal Financial Controls

The Company has prepared a comprehensive document on Internal Financial Controls (IFC) in line with the requirements under the Companies Act 2013, which included Entity Level Controls (ELC), Efficiency Controls, Risk Controls, Fraud Preventative Controls, Information Technology General Controls (ITGC) and Internal Controls on Financial Reporting (ICFR). A brief note on IFC including ICFR is enclosed to this Report as *Annexure A*.

The Company has adopted policies and procedures for ensuring orderly and efficient conduct of its business, including safeguarding of its assets, prevention and detection of fraud, error reporting mechanism and ensuring accuracy and completeness of financial statements. Based on the results of assessments carried out by Management, no reportable material weaknesses or significant deficiencies in the design or operation of internal financial controls were observed. The Board opines that the internal controls adopted and implemented by the Company for preparation of financial statements are adequate and sufficient.

Risk Management

The Risk Management Committee monitors the Risk management practices of the Company. The Committee meets periodically and reviews the potential risks associated with the Company's business and discusses steps taken by the management to mitigate the same.

The Board of Directors reviewed the risk assessment and procedures adopted by the Company for risk control and management and is of the opinion that there are no risks which may threaten the existence of the Company.

Details of Employee Benefit Scheme

During the year, 6,435 equity shares of ₹2/- each, at a premium of ₹77.30 per share were allotted to employees including employees of Subsidiary Companies under Redington Employee Stock Option Plan, 2008. The exercise period of all options granted including those reissued under this Plan had expired and also the validity of the Plan ended on March 31, 2020. The Board of Directors had also approved to extinguish the options and dissolve the Plan.

The disclosure as required under Regulation 14 of SEBI (Share Based Employee benefits) Regulations, 2014 is enclosed to this Report as *Annexure B*. A Certificate from the Statutory Auditors of the Company will be made available during the Annual General Meeting stating that Redington Employee Stock Option Plan, 2008 and Redington Stock Appreciation Right Scheme, 2017 have been implemented in accordance with SEBI (Share Based Employee benefits) Regulations, 2014 and as per the resolutions passed by the shareholders.

Information on Conservation of Energy and Technology Absorption

A. Conservation of Energy:

The operations of your Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy by way of optimizing usage of power and virtualization of Data Centre.

B. Technology Absorption:

Effort made towards technology absorption:

Your Company continues to use the latest technologies for improving the quality of services it offers. Digitalization adoption and absorption across cloud technology, virtualization and mobility resulted in better operational efficiencies and Turnaround Time (TAT). Business Intelligence (BI) and Analytics facilitate key decisions and improves process efficiency. During the current Pandemic, your company has seamlessly and securely able to shift to Work from Home model and have been able to provide all Employees with relevant technology tools and connectivity to carry out the work without any interruption.

Import of Technology:

The Company has not imported any technology during the year.

C. Expenditure on Research and Development:

Since your Company is involved in the Wholesale Distribution of Technology Products, there is no expenditure incurred on research and development.

Foreign Exchange earnings and outgo

The details of Foreign Exchange earnings and expenditure during the year are given below:

Earnings in Foreign Currency:

Particulars	₹ in Crore
Rebates & discount	116.68
Dividends from overseas subsidiaries	347.12
Others	0.74
Total	464.54

Expenditure in foreign currency:

Particulars	₹ in Crore
CIF value of imports	4,275.10
Royalty (cost of software included under purchases)	12.11
Foreign travel	0.18
Director's sitting fee	0.08
Director's commission	0.46
Others	0.15
Total	4,288.08

Policy on Appointment and Remuneration of Directors

The Board, on the recommendation of the Nomination and Remuneration Committee, has laid down a policy on appointment of Directors and remuneration for the Directors, Key Managerial Personnel and Other Employees. The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain independence of the Board and separate its functions of governance and management. The same is enclosed to this report as *Annexure C*.

Performance evaluation of the Board and Committees

The evaluation of all the Directors, Committees and the Board as a whole was conducted based on the criteria and framework approved by Nomination and Remuneration Committee. The details of annual evaluation made by the Board of its own performance and that of its committees and individual Directors and performance criteria for Independent Directors laid down by Nomination and Remuneration Committee are enclosed to this report as *Annexure D*.

Particulars of Employees

The Particulars of employees required under Section 197 (12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in *Annexure E* appended hereto and forms part of this report.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given and investments made are given under Notes 18 and 9 respectively to the Standalone Financial Statements. The Company has neither given guarantees nor provided security under Section 186 of the Companies Act, 2013.

Corporate Social Responsibility

Redington primarily carries out Corporate Social Responsibility activities through its trust, *Foundation for CSR @ Redington*, by supporting its projects in the areas of education, employability skills training for the underprivileged and specially abled, healthcare and environmental sustainability. The Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board a policy on CSR indicating the activities to be undertaken by the Company. The Report on CSR is enclosed as *Annexure - F* to this report.

Vigil Mechanism

The Company believes in the conduct of affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company has implemented a vigil mechanism/whistle blower policy, to provide a framework for the Company's employees and Directors to promote responsible and secure whistle blowing in the organization across levels. It also provides protection to whistle blowers who raise concerns on serious irregularities within the Company. The details of establishment of vigil mechanism are made available in the website of the Company. A brief summary of the vigil mechanism implemented by the Company is enclosed to this report as *Annexure H*.

Extract of Annual Return

Extract of Annual Return of the Company in Form MGT-9 is enclosed to this Report as *Annexure I*.

Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of the Companies Act, 2013 read with Investor Education and Protection Fund [IEPF] Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the unpaid or unclaimed dividend and shares in respect of which dividend entitlements are remaining unpaid or unclaimed for a period of seven consecutive years or more by any shareholder, to IEPF. Accordingly, the Company has transferred the unclaimed dividend of ₹41,824/- to the IEPF and 101 shares to the demat account of the IEPF authority. The details of the shares due to be transferred to IEPF during the financial year 2020-21 is made available in our website under Shareholders' information.

Others

- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
- The Company has not received any deposits as defined under the Companies Act, 2013 during the financial year under review.
- The Board decided not to transfer any profit to general reserve.
- None of the transactions with related parties falls under the scope of section 188(1) of the Act. Information on transactions with related parties pursuant to section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in *Annexure J* in Form AOC-2.

- There are no material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2020 and the date of this report.
- The Company has complied with applicable secretarial standards.

Web links

Particulars	Web link
Policy on Related Party Transaction	https://redingtongroup.com/wp-content/uploads/2018/12/Policy-on-dealing-with-Related-Party-Transactions.pdf
Policy for determining Material Subsidiaries	https://redingtongroup.com/wp-content/uploads/2019/04/Policy-on-dealing-with-Material-subsidiaries-final.pdf
Details of Familiarization Programmes	https://redingtongroup.com/wp-content/uploads/2018/12/Familiarisation-programme.pdf
Criteria of Making payment to Non- Executive Directors	https://redingtongroup.com/india/wp-content/uploads/sites/4/2018/05/PolicyonpaymenttoDirectors.pdf
Policy on appointment of Directors and remuneration for the Directors, Key Managerial Personnel and Other Employees	https://redingtongroup.com/wp-content/uploads/2018/12/NOMINATION-AND-REMUNERATION-POLICY.pdf
Details of establishment of Vigil mechanism	https://redingtongroup.com/india/wp-content/uploads/sites/4/2018/05/DetailsofVigilMechanismestablishedbytheCompany.pdf
Dividend Distribution Policy	https://redingtongroup.com/india/wp-content/uploads/sites/4/2018/05/DividendDistributionPolicy.pdf
Annual Return for FY 2019-20	https://redingtongroup.com/wp-content/uploads/2020/06/Annual-Return.pdf

COMPLIANCE WITH OTHER REGULATIONS

Downstream Investment

With regard to the downstream investments in Indian Subsidiaries, the Company is in compliance with applicable Rules and Regulations of Foreign Exchange Management.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has constituted Internal Complaints Committees as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to consider and resolve all sexual harassment complaints. Your Company has framed a policy on Sexual Harassment of Women to ensure a free and fair enquiry process on complaints received from the women employee about Sexual Harassment, also ensuring complete anonymity and confidentiality of information. Adequate workshops are conducted and awareness on the policy is also created by sending group mailers to the employees. No complaint was reported by any employee pertaining to Sexual Harassment, during the year under review.

ACKNOWLEDGMENT

Your Directors take this opportunity to gratefully acknowledge the co-operation and support received from the shareholders including the principal shareholders, suppliers, customers, bankers, business partners / associates, financial institutions, Regulatory / Government authorities to the Company. The Directors record their appreciation for the contributions made by employees of the Company, its subsidiaries and associates, for their hard work and commitment, towards the success of the Company. Their dedication and competence has ensured that the Company continues to be a significant and leading player in the industry.

On behalf of the Board of Directors

J. Ramachandran
Chairman
DIN: 00004593

Place: Bengaluru
Date: June 11, 2020

INDEX OF ANNEXURES TO THE BOARD'S REPORT

- A. Note on Internal Financial Controls
- B. Disclosures as required under Regulation 14 of SEBI (Share Based Employee benefits) Regulations, 2014
- C. Policy on appointment of Directors and remuneration for the Directors, Key Managerial Personnel and Other Employees
- D. Details of Performance evaluation of Board & Committee and the Evaluation criteria for Independent Directors
- E. Particulars pursuant to Section 197(12) of the Companies act, 2013 and the relevant rules
- F. Report on Corporate Social Responsibility
- G. Secretarial Audit Report
- H. Summary of Vigil mechanism
- I. Form No. MGT-9
- J. Form No. AOC-2
- K. Policy on Dividend Distribution

ANNEXURE A

NOTE ON INTERNAL FINANCIAL CONTROLS

The Companies Act, 2013 has laid down responsibility on the Directors with respect to Internal Financial Control (IFC). The Institute of Chartered Accountants of India has issued a Guidance Note which prescribes the framework and risk that needs to be covered by a company regarding IFC.

The Company has envisaged the necessity for a good financial control environment much ahead of the requirement envisioned under the Companies Act, 2013. The Company has an existing framework of IFC which has been documented and tested, based on the results of such assessments carried out by Management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls were observed.

Some of the key controls are:

Entity Level Controls (ELCs):

ELCs are imperative to an organization as it fosters a culture which sets the tone for a sound control environment within the organization. Support of management is essential to build and sustain an effective control environment. The Company has perceived this necessity and has demonstrated its intention and commitment by adopting COSO Principle (Committee of Sponsoring Organizations of the Treadway Commission), which is followed across the globe, in framing its IFC.

Entity-level controls include

- Controls related to the control environment;
- Controls over management override

Efficiency Controls:

Over the years, the Company has built up a reservoir of knowledge in the field of distribution which has evolved into discrete business intelligence. The business intelligence is leveraged to assist in the decision making process by way of efficiency controls.

The Company believes that efficiency controls are essential for long term sustenance of the Company. Hence, higher emphasis is placed on coverage and completeness of efficiency controls. Influence of market trends, geography, the economy and vendor policy are considered in formulating efficiency controls.

Risk Controls:

The Company has a defined process for risk management. Risks are identified based on internal and external factors. Risk are then analysed and managed based on appetite, transfer, mitigation and avoidance.

Insurance coverage, Accounts Receivable factoring etc., is resorted to wherever the risk can be transferred. Risks are mitigated when it is not avoidable. Risks are avoided when it cannot be transferred or mitigated and the returns are not commensurate with the rewards.

Fraud Deterrence Controls:

The Company has identified certain key areas where possibility of fraud could occur. Checks & balances are built into the system during transaction processing to deter fraud. Areas prone to frauds are subject to constant review and audit by the external and the in-house internal audit team.

Information Technology General Controls (ITGCs):

ITGCs is an integral part of control environment of the Company. ITGCs are broad controls over general IT activities, such as security and access, computer operations, systems development and system changes.

Emphasis is placed on preventive controls and internal checks through the IT system. The company implemented SAP ERP for its operation. The controls were reassessed and fine-tuned to suit the SAP.

Internal Control on Financial Reporting (ICFR):

The Company has developed robust controls for financial reporting. The controls hovers around two parameters, one, based on information generated by the Company through its operations, and two, requirements specified under various statutes.

The controls are designed from the point of view of "What could go wrong" or the inherent risk associated with the particular transaction or account that could distort the financial statement. The Institute of Chartered Accountants of India has issued a Guidance Note which is considered for detailing the inherent risk associated with a particular account in addition to the risk perceived by the Company.

ANNEXURE B

DISCLOSURES AS REQUIRED UNDER REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

DETAILS RELATED TO EMPLOYEE STOCK OPTION PLAN, 2008 (ESOP)

A. Summary of Status of ESOPs Granted

The position of the existing scheme is summarized as under -

Sl. No.	Particulars	Details
1	Date of Shareholders' Approval	February 27, 2008
2	Total Number of Options approved under ESOP	23,35,973
3	Vesting requirement	50% of options-1 year from date of grant 25% of options-2 years from date of grant 25% of options-3 years from date of grant
4	Exercise Price or Pricing Formula	Market price or such price as decided by the Board
5	Maximum term of Options granted	5 years from the date of vesting
6	Source of shares	Primary
7	Variation in terms of ESOP	No variations made in the current year

The details of options granted, options vested and options outstanding under Employee Stock Option Plan 2008 are given in note no. 45 of Standalone Financial Statements.

B. The Company uses Fair Valuation method of accounting for Equity based plans.

C. Weighted average market price of options exercised during the financial year 2019-20 : ₹113.92

D. Diluted EPS for the financial year ended March 31, 2020 : ₹12.58

E. Option Movement during the financial year 2019-20

Sl. No	Particulars	Numbers	Weighted Average Exercise price (₹)
1	Options outstanding at the beginning of the year	3,819	396.50
2	Number of options granted during the year	-	-
3	Options Forfeited / Surrendered during the year	-	-
4	Options Vested during the year	-	-
5	Options Exercised during the year	1,287	396.50
6	Options Lapsed during the year	2,532	-
7	Total number of shares arising as a result of exercise of options	6,435	79.30
8	Money realised by exercise of options (In ₹)	5,10,295.50	-
9	Options outstanding at the end of the year	-	-
10	Options exercisable at the end of the year	-	-

F. Weighted average exercise price of options granted during the financial year 2019-20 whose

(a) Exercise price equals market price (₹)

(b) Exercise price is greater than market price (₹)

No options were granted during FY 2019-20

(c) Exercise price is less than market price (₹)

G. Weighted average fair value of options granted during the financial year 2019-20 whose

(a) Exercise price equals market price (₹)

(b) Exercise price is greater than market price (₹)

No options were granted during FY 2019-20

(c) Exercise price is less than market price (₹)

H Employee - wise details of options granted during the financial year 2019 -20 to:

(a) Senior managerial personnel	
(b) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	No options were granted during FY 2019-20
(c) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	

I Method and Assumptions used to estimate the fair value of options granted during the financial year 2019-20:

The fair value has been calculated using the Black Scholes Option Pricing model.

Sl. No	Variables	Date of Grant
1	Risk Free Interest Rate	
2	Expected Life	
3	Expected Volatility	No options were granted during FY 2019-20
4	Dividend Yield	
5	Price of the underlying share in market at the time of the option grant (₹)	

DETAILS RELATED TO REDINGTON STOCK APPRECIATION RIGHT SCHEME, 2017 (SAR SCHEME)

A Details related to SAR

Description of the SAR Scheme: The Company has approved the grant of Stock Appreciation Rights (SARs) to the eligible employees of the Company and its Subsidiaries under the Redington Stock Appreciation Right Scheme, 2017. The maximum number of shares to be issued against the SARs shall not exceed 86,81,681 equity shares of face value ₹2/- each as adjusted for any changes in the capital structure of the Company.

The position of the existing scheme is summarized as under -

Sl. No	Particulars	Details
1	Date of Shareholders' Approval	November 19, 2017
2	Total Number of Shares approved under SAR Scheme	86,81,681
3	Vesting requirement	The SARs granted would be vested subject to the time and performance conditions as may be decided by the Compensation Committee from time to time
4	SAR Price or Pricing Formula	Base price as may be determined by the Compensation Committee from time to time
5	Maximum term of SARs granted	3 years from the date of vesting
6	Method of Settlement	Equity shares of the Company or cash as may be decided by the Compensation Committee from time to time.
7	Choice of Settlement	With the Company
8	Source of shares	Primary
9	Variation in terms of SAR	No variations made in the current year
10	Method used to account for SAR	Fair Value Method

The details of SARs are given in note no. 46 of Standalone Financial statements. The scheme is administered by the Compensation Committee and no Trust has been created for this purpose.

B SAR Movement during the financial year 2019-20

Sl. No	Particulars	Details
1	SARs outstanding at the beginning of the year	75,17,600
2	Number of SARs granted during the year	-
3	SARs Forfeited / Lapsed during the year	8,41,700
4	SARs Vested during the year	13,47,500
5	SARs Exercised / Settled during the year	-
6	SARs outstanding at the end of the year	66,75,900
7	SARs exercisable at the end of the year	20,21,250

C Employee-wise details of SARs granted during the financial year 2019-20 to:

(i)	Senior managerial personnel	
(ii)	Employees who were granted, during any one year, SARs amounting to 5% or more of the SARs granted during the year	No SARs were granted during FY 2019-20
(iii)	Identified employees who were granted SARs, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	

ANNEXURE C

POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Part A - Policy on appointment of Directors

For the Board of a Company to be effective and efficient, it should comprise of individuals who have professional qualifications and proven experience in their respective fields of specialization.

The Nomination and Remuneration committee evaluates the Directors and recommends the Board for their appointment / reappointment and ensures optimum composition of Board. While recommending appointment of an Individual as a Director on the Board, the committee has to review the following factors including the others:

- Diversity of the Board
- Qualification and positive attributes
- Independence of Directors (in the case of Independent Directors)

Diversity of Board

Diversity in the Board enhances diversity of ideas. Having this ideology in mind, the Committee shall take into consideration various factors including the following to ensure Board Diversity:

- Optimum composition of Executive Directors and Non-Executive Directors on the Board;
- Professional experience and expertise in different areas of specialization;
- Diversity criteria including, but not limited to gender, age, ethnicity, race, religion, culture and geographic background;
- Academic qualification, functional expertise, personal skills and qualities

The ultimate decision is based on merit and contribution that the selected candidates bring to the Board.

Qualification and positive attributes

The committee may also assess whether they meet qualification criteria and the positive attributes set below:

- Financially literate, which means he/she possess the ability to read and understand basic financial statements i.e. Balance Sheet, Statement of Profit and Loss and Statement of Cash flows;
- Possess high levels of personal, professional integrity;
- Have appropriate knowledge / experience about the industry and the Company, or ability to acquire required knowledge and understanding;
- Able to provide guidance to the Board in matters of business, finance, strategy and corporate governance;
- Able to analytically look into the issues placed before the Board and provide strategies to solve them;
- Possess better communication skills and ability to work harmoniously with fellow Directors and management;
- Willingness to devote the required time, including being available to attend Board and Committee meetings;

Independence of Directors (only in the case of Independent Directors)

Any relationship between the Company and Directors other than in the normal course will affect the Independence of Directors in many ways. The Committee shall assure that the candidate proposed for the position of Independent Director meets the minimum criteria for Independence set out under Section 149 of the Companies Act, 2013. It shall also assess if the candidate would be able to meet the standards mentioned in the code for Independent Directors under the Companies Act, 2013.

Part B - Policy on Remuneration to Board of Directors, Key Managerial Personnel and other employees

Introduction

With the view to ensure that the Company attracts, motivates and retains qualified industry professionals for the Board and Management in order to achieve its strategic goals this policy is designed to encourage behaviour that is focused on long-term value creation, while adopting the highest standards of good corporate governance. The remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis and is in consonance with the existing industry practices.

This policy is now re-framed to ensure that the requirements of Section 178 of the Companies Act, 2013 is met and it intends to define general guidelines for the Company's pay to the Board of Directors, Key managerial Personnel and Senior Management and other employees.

Remuneration of Directors

The Board of Redington (India) Limited comprises of three categories of Directors viz., Executive Directors, Non-Executive Directors and Non-Executive Independent Directors.

The Remuneration to Executive and Non-Executive Directors are governed by the provisions of Companies Act, 2013 and the rules framed thereunder and the notifications issued by the Ministry of Corporate Affairs from time to time.

Executive Directors

The Executive Director's compensation comprises of two broad components - Fixed Remuneration and a performance-linked variable component. The fixed remuneration is determined based on market standards and the Company's specific needs from time to time. The Board of Directors evaluate the fixed remuneration annually based on the results from the previous period and with due consideration to the trend within the market standards.

Variable Components of the Executive Directors includes performance linked bonus, which will be decided by the Board based on the performance criteria with the objective to create long term shareholder value.

Executive Directors do not receive any sitting fees for attending the Board and Committee meetings.

Non-Executive Directors

The Non-Executive Directors including Independent Directors are paid commission upto one percent of the profits as may be decided by the Nomination and Remuneration committee and the Board of Directors. This profit is to be shared amongst the Non-Executive Directors.

Non-Executive Independent Directors are eligible for fixed amount of sitting fees for attending meeting of the Board of Directors and its committees as allowed under the Companies Act 2013.

Reimbursement of expenses

All expenses incurred by the Board of Directors for attending the meetings and events of the Company are reimbursed at actuals.

Remuneration to Key Managerial Personnel and Senior Management Personnel

It is to be ensured that Key Managerial Personnel (KMP) and Senior Management Personnel are paid as per the trend prevalent in the similar industry, nature and size of business. The level and components of remuneration is reasonable and sufficient to attract and retain the KMPs and Senior Management.

The remuneration for Key Managerial Personnel and Senior Management comprises of two broad components i.e. Fixed and Variable.

The fixed component is paid on a monthly basis and the variable component is paid on the degree of their achieving "Key Result Areas". Executive Directors on yearly basis, on discussion with the KMP and senior management personnel, frame the Key Result Area (KRA). The KRA is fixed with an aim to achieve the overall objectives of the Company.

Remuneration to other employees

To have a strong bondage with the Company and longtime association of the employees, the management while fixing remuneration to the employee ensures that it:

- Appropriately compensate employees for the services they provide to the Company;
- Attract and retain employees with skills required to effectively manage the operations and growth of the business;
- Motivate employees to perform in the best interests of the Company and its stakeholders

In consonance with this well formulated principle, the compensation of employees has been linked to performance. However, for compensation above certain limits have variable component in the salary structure and are linked to Key Result Area (KRA) fixed to the employees.

Share/Stock based compensation

To attract and retain the talent, motivate employees to achieve business goals, reward performance with ownership and align employees' interests with those of shareholders, the Company endeavours to create wealth to the Directors and employees by way of share/stock based compensation framed by the Company. Prior to and post listing of the shares of the Company on the stock exchanges, the Company, formulated various schemes to offer shares / stock based compensation to the Directors and employees.

Insurance coverage

To protect the interest of the Directors and employees while carrying out their duties which are exposed to various legal and regulatory requirements, the Company has obtained various insurance policies such as Directors & Officer's Liability Insurance, etc. The Professional Indemnity policies are intended to protect the Directors and executives from legal action. The policy normally covers legal costs for defending civil suits.

ANNEXURE D

PERFORMANCE EVALUATION PROCESS & CRITERIA

The Nomination and Remuneration Committee (the Committee) of Board of Directors appointed an external agency and availed their assistance in designing, implementing, analyzing and reporting of performance evaluation of the Board and its committees and the members thereof in compliance with the statutory requirements.

With their assistance, the Committee has formulated criteria and questionnaires to evaluate the performance of the Board, its committees and Individual Directors including the Independent Directors.

The performance evaluation criteria is determined by the Committee taking into consideration the following parameters -

- a. Participation and contribution at Board / Committee meetings
- b. Commitment, including guidance provided to management outside of Board / Committee meetings
- c. Exercise of objective independent judgment
- d. Ability to contribute to and monitor corporate governance practices

Based on the feedback and comments received on the questionnaires, the performance of every Director was evaluated. Independent Directors at their separate meeting carried out evaluation on the performance of Non Independent Directors and Board as a whole. The performance evaluation of Chairman was also carried out by the Independent Directors at their separate meeting, considering the views of other Executive and Non-Executive directors.

ANNEXURE E

PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 AND THE RELEVANT RULES

Note:

- The Company, for FY 2019-20, has considered remuneration for Independent Directors on accrual basis including Sitting fees paid and Commission entitled. The Company has considered Gross Salary including fixed pay, variable pay, perquisites and incentives computed as per provisions of Income Tax Act, 1961 as Remuneration for other Directors, Key Managerial Personnel and other Employees.
- Median Remuneration is computed on Cost to Company (CTC) basis.

A The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;

Name of Director	Designation	Ratio to median remuneration
Prof J. Ramachandran	Chairman, Non-Executive Independent Director	7.9
Mr. V. S. Hariharan	Non-Executive Independent Director	5.5
Mr. Keith WF Bradley	Non-Executive Independent Director	5.1
Mr. B. Ramaratnam	Non-Executive Independent Director	5.6
Ms. Anita P Belani*	Non-Executive Independent Director	5.0
Mr. E.H. Kasturi Rangan [§]	Whole Time Director	NA
Mr. S. V. Krishnan [#]	Whole Time Director and Chief Financial Officer	15.0

*Ms. Anita P Belani was appointed on Board from April 1, 2019

[§]Mr. E.H. Kasturi Rangan stepped down from the Board on May 22, 2019 and hence, his remuneration is not comparable.

[#]Mr. S. V. Krishnan, Chief Financial Officer was inducted in the Board and appointed as Whole Time Director from May 22, 2019. His remuneration for whole of the financial year 2019-20 is considered.

B. The percentage change in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

Names	Designation	YOY %
Prof J. Ramachandran	Chairman, Non-Executive Independent Director	23.2
Mr. V. S. Hariharan	Non-Executive Independent Director	-3.0
Mr. Keith WF Bradley	Non-Executive Independent Director	-8.2
Mr. B. Ramaratnam	Non-Executive Independent Director	2.9
Ms. Anita P Belani*	Non-Executive Independent Director	NA
Mr. E.H. Kasturi Rangan*	Whole Time Director	NA
Mr. S. V. Krishnan [#]	Whole Time Director and Chief Financial Officer	-12.5
Mr. M. Muthukumarasamy	Company Secretary	-21.4

*Ms. Anita P Belani was appointed on Board from April 1, 2019 and Mr. E. H. Kasturi Rangan stepped down from the Board on May 22, 2019. Hence, their remuneration are not comparable.

[#]Mr. S. V. Krishnan, Chief Financial Officer was inducted in the Board and appointed as Whole Time Director from May 22, 2019

Note:

- Mr. Raj Shankar, Managing Director of the Company is being paid remuneration from an overseas wholly owned subsidiary of the Company. Hence, the same is not considered here.
- No Long Term Incentive payable during FY 2019 -20, accordingly the aforesaid decrease in YOY% for Key Managerial Personnel.

C. Percentage increase in median remuneration of employees in the financial year : 0.69%

D. Number of permanent employees on the rolls of Company as on March 31, 2020 :1,561

E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentile increase made in the salaries (CTC) of employees other than the managerial personnel in the last financial year i.e. 2019- 20 was 7.8%. Change in managerial remuneration (Whole Time Director) is given above.

F. It is affirmed that the remuneration is as per the remuneration policy of the Company.

G. Particulars of Employees:

Details of Top 10 employees as on March 31, 2020 in terms of remuneration drawn during FY 2019-20:

Name of the Employee	Mr. Parthasarthi Neogi	Mr. S.V. Krishnan	Mr. Ramesh Natarajan	Mr. Gurbir Singh Bhatia	Mr. J. K. Senapati
Designation	Chief Development and Strategy Officer	Whole Time Director and Chief Financial Officer	Joint Chief Operating Officer	Chief Information Officer	Joint Chief Operating Officer
Remuneration	₹84,87,497	₹75,66,083	₹84,99,435	₹88,74,285	₹72,69,726
Nature of employment	Permanent	Permanent	Permanent	Permanent	Permanent
Qualification	Bachelor of Engineering	Chartered Accountant, Cost Accountant and Company Secretary	Bachelor of Commerce	B.E, SMP, PMP, Data Sciences & Analytics	Master of Business Administration
Experience with the Company	20 Years	21 Years 10 Months	22 Years 7 Months	2 years 4 Months	21 years 9 Months
Date of Joining	April 1, 2000	May 18, 1998	August 21, 1997	November 15, 2017	June 15, 1998
Age	62	47	51	49	54
Last Employment	Ekman India Private Limited	Ashok Leyland Limited	Pertech Computers Limited	CMA CGM Shared Service Centre India Pvt. Ltd.	Sinar Mas (India) Private Limited
No. of shares as on March 31, 2020	207	50,408	Nil	50	Nil
Relation to Board of Directors	Nil	Nil	Nil	Nil	Nil

Name of the Employee	Mr. R. Venkatesh	Mr. Gautam Hukku	Mr. Murtuza K Tambawala	Mr. Vishal Goyal	Mr. K. S. Ramesh
Designation	Executive Vice President	Executive Vice President	Executive Vice President	Senior General Manager	Vice-President
Remuneration	₹66,70,573	₹61,83,852	₹61,41,509	₹53,99,038	₹58,55,989
Nature of employment	Permanent	Permanent	Permanent	Permanent	Permanent
Qualification	Bachelor of Science	Master of Business Administration	B.E, M.Sc., EGMP	BE (Electronics) MA In Economics PGDBA Marketing	Bachelor of Engineering
Experience with the Company	19 Years 5 Months	16 Years 1 Month	4 Years 5 Months	4 Years 9 Months	15 Years 5 Months
Date of Joining	October 27, 2000	February 17, 2004	November 2, 2015	June 22, 2015	November 22, 2004
Age	43	54	39	45	47
Last Employment	Nebula Technologies Private Limited	Tech Pacific India Limited	Kanlife Asia, Singapore	MTS - Sistema Shyam Teleservices Ltd	Xerox
No. of shares as on March 31, 2020	Nil	3,000	Nil	Nil	25,000
Relation to Board of Directors	Nil	Nil	Nil	Nil	Nil

Note: During year under review, none of the employees were employed throughout the year and also in receipt of remuneration of ₹1.02 Crores or more in aggregate.

Details of employees who were employed for a part of the financial year and were in receipt of remuneration for any part of this year, at a rate which, was ₹8.5 Lacs or more per month in aggregate:

Name of the Employee	Mr. Clynton Almedia	Mr. Anand Chakravarthy
Designation	Chief Information Officer	President
Remuneration	₹49,46,048	₹39,66,444
Nature of employment	Permanent	Permanent
Qualification	Bachelor of Science	Master of Business Administration
Experience with the Company	19 Years 1 Month	12 Years 3 Months
Date of Joining	April 19, 2000	April 10, 2007
Age	59	53
Last Employment	Systime Computer Limited	Redington Distribution Pte Limited, Singapore
Relation to Board of Directors	Nil	Nil

ANNEXURE F

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. Company's policy on CSR-An Overview

Redington is deeply committed towards enriching the lives of the underprivileged and disadvantaged sections of the society. It believes that every organization which exists in the society, is obliged to give back to the society a portion of what it receives from it. It is guided by the principle "Create value, profit will follow". In line with the same, it strives to create value by promoting employability, skill development, health and wellness.

The CSR policy of your Company focusses on laying down guidelines for the Company to undertake, implement and monitor various projects and programs that ensures creating a sustainable living for the lesser privileged members of our community. The activities are implemented through "Foundation for CSR @ Redington" (Foundation), a trust formed by the Company to see the vision transforming into a reality.

The CSR policy and the details of the projects undertaken by the Company can be accessed from the following links respectively:

<https://redingtongroup.com/wp-content/uploads/2018/12/CSR-policy.pdf>

<http://www.redingtonfoundation.org/>

2. Composition of the CSR Committee of Directors

The Corporate Social Responsibility (CSR) Committee of the Company is composed of the following Directors -

Director	Position
Mr. V. S. Hariharan	Chairman
Mr. Keith WF Bradley	Member
Mr. B. Ramaratnam	Member
Ms. Anita P Belani	Member

The terms of reference of the CSR Committee has been charted in accordance with the provisions of Section 135 of the Companies Act, 2013 read with relevant rules made thereunder.

3. Average net profit of the Company computed as per CSR provisions for last three financial years - ₹265.31 Crore

4. Prescribed CSR expenditure for the financial year 2019 - 20 (2%) - ₹5.31 crore

5. Details of CSR Spent during the financial year 2019-20:

- a) Total amount to be spent in the financial year : ₹5.31 Crore
- b) Total amount spent in the financial year* : ₹5.31 Crore
- c) Amount unspent : Nil

*Being the amount transferred during the year to Foundation for CSR @ Redington, a trust registered under Income Tax Act, 1961.

d) Manner in which the amount spent directly by the Company / trust during the financial year 2019-20.

(₹ In Crore)

Sl.No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (i) Local area or other (ii) Specify the state and district where projects or programs were undertaken	Amount Outlay (Budget)	Amount spent	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1	READ	Education		4.47	3.38	14.28	
2	REACH	Education		0.81	0.69	2.15	Through Foundation for CSR @ Redington
3	EXCELLENCE	Education		1.12	1.12	7.11	
4	Wellness program and revival of Health centers	Preventive Healthcare	Various places across Tamil Nadu and in New Delhi	0.32	0.29	0.47	
5	Employability Skills Training	Education		-	-	0.04	
6	Protection of flora and fauna	Environment	Ghaziabad	-	-	0.05	Direct
7	Common expenses			0.22	0.22	1.16	
TOTAL				6.94	5.70	25.26	

During FY 2019-20, in addition to FY 2019-20's prescribed expenditure of ₹5.31 Crore, the foundation budgeted to spend last year's unspent amount of ₹1.63 Crore. The total expenditure budgeted by the foundation was ₹6.94 Crore, out of which the foundation spent ₹5.70 Crore and ₹1.24 Crore is to be spent during H1 FY 2020-21 for activities identified. This is earmarked primarily for the existing projects.

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company.

Raj Shankar
 Managing Director

V S Hariharan
 Chairman-CSR Committee

ANNEXURE G

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Redington (India) Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Redington (India) Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Redington (India) Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of -

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent applicable to Foreign Direct Investment, Overseas Direct Investment ;
- v. The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 - Not applicable to the Company during the audit period;
 - d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company during the audit period;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the audit period;
 - h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018- Not applicable to the Company during the audit period; and
 - i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- vi. As per the information and explanation provided to us, there are no sector specific Acts or Regulations applicable to the Company.

We have also examined compliance with applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

During the period under review the company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above except that one Form DI in respect of Downstream Investment filed by a Subsidiary Company is pending RBI approval.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meeting and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review, the Company received approval for reclassification of status of M/s Harrow Investment Holding Limited from 'Promoter' to 'Public' in terms of Regulation 31A of SEBI (LODR) Regulations, 2015 from both the stock exchanges.

For R Bhuvana and Associates

R. Bhuvana

Practicing Company Secretary
Membership No. F10575
Certificate of Practice No. 8161
UDIN : A022108B000332880

Place: Chennai
Date: 10.06.2020

This Report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

Annexure 1

To
The Members,

REDINGTON (INDIA) LIMITED

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

R. Bhuvana

Practicing Company Secretary
Membership No. F10575
Certificate of Practice No. 8161

Place: Chennai
Date: 10.06.2020

ANNEXURE H

SUMMARY OF VIGIL MECHANISM

- Employees and Directors can make Protected Disclosure to Ombudsperson appointed by the Company. If it is received by any other person the same should be forwarded to the Ombudsperson for further appropriate action.
- Name of the Whistle Blower need not be disclosed to the Whistle Officer / Committee.
- The Ombudsperson/ Whistle Officer/ Committee shall after end of investigation make a detailed written record of the Protected Disclosure.
- The Whistle Officer / Committee shall finalize and submit the report to the Ombudsperson within 15 days of being nominated/appointed.
- On submission of report, the Whistle Officer / Committee shall discuss the matter with Ombudsperson who shall either:
 - i) In case the Protected Disclosure is proved, accept the findings of the Whistle Officer/Committee and take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter; or
 - ii) In case the Protected Disclosure is not proved, extinguish the matter; or
 - iii) Depending upon the seriousness of the matter, Ombudsperson may refer the matter to the Committee of Directors with proposed disciplinary action/counter measures
- Notwithstanding the above, the Whistle Blower shall have direct access to the Chairman of the Audit Committee in exceptional cases.
- Audit Committee can seek the assistance of other departments including the Human Resources Department and other external consultants in appropriate cases.
- In case of repeated frivolous complaints being filed by a Whistle Blower, the Audit Committee may take suitable action against the concerned Whistle Blower including reprimand.

ANNEXURE I

FORM NO. MGT-9 - EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

I. Registration and other details:

S. No.	Particulars	Inferences/ Remarks
1.	CIN	L52599TN1961PLC028758
2.	Registration Date	02/05/1961
3.	Name of the Company	Redington (India) Limited
4.	Category	Company Limited by Shares
5.	Address of Registered office and contact details	SPL Guindy House, 95, Mount Road, Chennai - 600 032 Phone: +91-44-4224 3353; Fax: +91-44-22253799 Email: investors@redington.co.in Website: www.redingtongroup.com
6.	Whether listed Company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent	Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road Chennai, Tamil Nadu 600 002 Phone: +91-44-2846 0390; Fax: +91-44-2846 0129 Email: investor@cameoindia.com Website: www.cameoindia.com

II. Principal business activities of the company

The business activities contributing 10% or more of total turnover of the Company are given below:

S. No	Name and Description of Main Services	NIC Code of the Service	% of Total turnover of the Company
1.	Wholesale of machinery, equipment and supplies. [Wholesale of computers, computer peripheral equipments, software, electronic and telecommunications equipment and parts]	465	97%

III. Particulars of holding, subsidiary and associate companies

a) Holding Company – NIL

b) Subsidiaries located in India

Sl. No	Name of the Company	Address of the Company	CIN	% of shares held	Applicable Section
1	ProConnect Supply Chain Solutions Limited	SPL Guindy House, 95 Mount Road, Chennai - 600 032	U63030TN2012PLC087458	100	Sec. 2(87)
2	Ensure Support Services (India) Limited	SPL Guindy House, 95 Mount Road, Chennai - 600 032	U72900TN2013PLC091888	100	Sec. 2(87)
3	Rajprotim Supply Chain Solutions Limited*	49/89, Prince Golam Mohammed Shah Road, Golf Garden, Kolkata - 700033	U63090WB2016PLC216763	100	Sec. 2(87)
4	Redserv Business Solutions Private Limited [§]	No 6/9 (Old no.15/9) Romar House, Chamber D III FLR Jagnatthan Road, Nungambakkam Chennai 600034	U74999TN2017FTC115723	100	Sec. 2(87)
5.	Auroma Logistics Private Limited*	72A, Ballygunj Place South Point School Kolkotta Kolkata WB 700019	U74999WB2009PTC153684	100	Sec. 2(87)

* Wholly owned Subsidiary of ProConnect Supply Chain Solutions Limited.

§ Wholly owned subsidiary of Redington Gulf FZE, United Arab Emirates.

c) Overseas Subsidiaries

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Ownership interest %	Beneficial interest %	Applicable Section
1.	Redington Distribution Pte Ltd.	60 Robinson Road, #12-02 BEA Building, Singapore - 068892	NA	100	100	Sec. 2(87)
2.	Redington International Mauritius Ltd.	IFS Court TwentyEight, Cybercity, Ebene Mauritius	NA	100	100	Sec. 2(87)
3.	Redington SL Pvt Limited	No 12, Visaka Road, Bambalapitiya, Colombo 04, Sri Lanka.	NA	100	100	Sec. 2(87)
4.	Redington Bangladesh Ltd.	MR Centre, 4 th Floor, Banani Bazar Building, No 49, Road No 17, Dhaka, Bangladesh 1213.	NA	99	100	Sec. 2(87)
5.	Redington Gulf FZE	Plot No.S30902 PO Box 17266 Jebel Ali, Dubai, UAE	NA	100	100	Sec. 2(87)
6.	Redington Turkey Holdings SARL	58 Rue Charles Martel L 2134 Luxembourg	NA	100	100	Sec. 2(87)
7.	Ensure Gulf FZE	Warehouse No.RA08BA03 Jebel Ali, Dubai, UAE	NA	100	100	Sec. 2(87)
8.	Arena International FZE [#]	Jebel Ali PO BOX 461802 Dubai, UAE	NA	49.40	49.40	Sec. 2(87)
9.	Proconnect Supply Chain Logisitcs LLC [^]	Plot No.S30902 PO Box 17266 Jebel Ali, Dubai, UAE	NA	49	100	Sec. 2(87)
10.	Arena Bilgisayar Sanayi Ve Ticaret Anonim Sirketi [#]	Göktürk Merkez Mahallesi, Göktürk Caddesi No:4 Eyüp/Istanbul	NA	49.40	49.40	Sec. 2(87)
11.	Redington Kenya Ltd.	PO BOX 383-00606 School Lane, Westlands Nairobi, Kenya	NA	100	100	Sec. 2(87)
12.	Redington Gulf & Co LLC	Office No.26, Ground Floor Oman Commercial centrePost Box 3065 Ruwi-Muscat Sultanate of Oman	NA	70	100	Sec. 2(87)
13.	Cadensworth FZE	Warehouse No. RA08VC01 PO Box 17441 Dubai, UAE	NA	100	100	Sec. 2(87)
14.	Redington Egypt Ltd, LLC	1 Makram Ebaid Street City light Tower 3A Office No 301,nasr City Cairo, Egypt	NA	100	100	Sec. 2(87)
15.	Ensure IT Services (PTY) Ltd.	606 Kudu street White Thorn Office Park Allens Nek Gauteng 1737, South Africa	NA	100	100	Sec. 2(87)
16.	Ensure Services Arabia LLC.	P.O Box 62918, Riyadh 11595 Kingdom of Saudi Arabia.	NA	100	100	Sec. 2(87)
17.	Redington Middle East LLC [^]	Office No. 606, Atrium Centre Khalid bin Waleed road PO BOX 12815, Dubai, UAE	NA	49	100	Sec. 2(87)
18.	Ensure Services Bahrain SPC	Building 46, Road 359, Block 321 Manama, Alqudaybiah Kingdom of Bahrain	NA	100	100	Sec. 2(87)
19.	Redington Ltd.	C371/3, Dufie House, Samoramichel Raod, Aslyum Down Roundabout, Aslyum Down, Accra, Ghana.	NA	100	100	Sec. 2(87)
20.	Redington Uganda Ltd.	PO Box 33009, Plot # 15, Mulwana Road, Industrial Area, Opposite Uganda Batti Kampala, Uganda	NA	100	100	Sec. 2(87)
21.	Redington Kenya (EPZ) Ltd.	PO BOX 383-00606 School Lane, Westlands Nairobi, Kenya	NA	100	100	Sec. 2(87)
22.	Redington Rwanda Ltd.	C/o GPO Partners Rwanda Ltd Boulevard de l'Umuganda, Aurore Building - Kacyiru, P.O. Box 1902, Kigali - Rwanda	NA	100	100	Sec. 2(87)
23.	Cadensworth United Arab Emirates (LLC) [^]	Office No. 507, Atrium Centre Khalid Bin Waleed Road PO BOX No. 12816Dubai, UAE	NA	49	100	Sec. 2(87)
24.	Redington Gulf FZE CO.	1 st floor Haj Hashim Printing Press Building Sultan Muthafar st Erbil	NA	100	100	Sec. 2(87)
25.	Redington Qatar WLL [^]	Barwa Commercial Avenue, Safwa, Block # 29, Mesaimeer Doha Qatar	NA	49	100	Sec. 2(87)
26.	Redington Qatar Distribution WLL [^]	Building No 24, Rawda Khaleed Street No 230,Office # 11, First Floor, C Ring Road, Al Muntaza Area Doha, Qatar	NA	49	100	Sec. 2(87)
27.	Redington Kazakhstan LLP	117,Makatayeva streeet Zhetysuisky district Almaty City, Kazakhstan - 050050	NA	100	100	Sec. 2(87)
28.	Redington Morocco Ltd.	292 Boulevard Zerktouni Maari Morocco	NA	100	100	Sec. 2(87)
29.	Redington Senegal Limited SARL	Abc Commercial 1 & 2 Round Point J d Eau Dakar Senegal.	NA	100	100	Sec. 2(87)
30.	Redington Saudi Arabia Distribution company	PO Box 66120 Riyadh 11576 Kingdom of Saudi Arabia	NA	75	100	Sec. 2(87)
31.	Ensure Technical Services Morocco Limited (SARL)	Galerie Riad Anfa Bd Bourgoune Mag NO. 37 Anfa Casablanca. Morocco	NA	100	100	Sec. 2(87)

Sl. No	Name of the Company	Address of the Company	CIN/GLN	Ownership interest %	Beneficial interest %	Applicable Section
32.	Ensure Ghana Limited	C371/3, Dufie House, Samoramichel Raod, Asylum Down Roundabout, Asylum Down, Accra, Ghana.	NA	100	100	Sec. 2(87)
33.	Ensure Technical Services (PTY) Ltd.	Unit 6, Mone Je Paul 26 Aloefield crescent Rochdale park, spring field park KWA-Zulu Natal, South Africa	NA	100	100	Sec. 2(87)
34.	Ensure Middle East Trading LLC ^	Shop No.105 & 105, Mezzanine floor Al Khaleej Centre Burdubai - UAE	NA	49	100	Sec. 2(87)
35.	Ensure Technical Services Kenya Limited	PO BOX 383-00606 School Lane, Westlands Nairobi, Kenya	NA	100	100	Sec. 2(87)
36.	Ensure Technical Services Tanzania Limited	Shop No:11A, 1 st Floor, Swiss Tower UN Road, Upanga, PO Box 38096, Dar Es Salaam, Tanzania.	NA	100	100	Sec. 2(87)
37.	Ensure Services Uganda Limited	Plot # 15, Mulwana Road, Industrial Area, Opposite Uganda Batti Kampala, Uganda.	NA	100	100	Sec. 2(87)
38.	Redington Tanzania Ltd.	11a, 1st Floor, Swiss Tower Un Road, Upanga PO Box 38096, Dar Es Salaam Tanzania	NA	100	100	Sec. 2(87)
39.	Ensure Solutions Nigeria Limited	Afrprint Industrial Estate 122-132, Oshodi-Apapa Expressway PO BOX:3623 Isolo, Lagos, Nigeria.	NA	99.90	100	Sec. 2(87)
40.	Paynet Ödeme Hizmetleri A.Ş.#	Göktürk Merkez Mahallesi, Göktürk Caddesi No:4 Eyüp/İstanbul	NA	49.40	49.40	Sec. 2(87)
41.	CDW International Trading FZE	CDW International Trading FZE #427, Building No: 6WA PO Box: 371554 DAFZA, Dubai	NA	100	100	Sec. 2(87)
42.	RNDC Alliance West Africa Limited	RNDC ALLIANCE WEST AFRICA LTD, 2 nd Floor, Akron House, 94, Allen Avenue, Ikeja, Lagos, Nigeria.	NA	100	100	Sec. 2(87)
43.	Linkplus Bilgisayar Sistemleri Sanayi ve Ticaret A.S	Linkplus Bilgisayar Sistemleri Sanayi Ve Ticaret A.Ş., Kısıklı Mahallesi, Hanımseti Sokak, No:46, Üsküdar, İstanbul	NA	100	100	Sec. 2(87)
44.	ProConnect Saudi LLC	Block# 16, Al Fursan Warehouse complex, Plot no. 145 to 152, Istanbul street, Exit-18, Sulai, Riyadh - KSA.	NA	100	100	Sec. 2(87)
45.	Redington Distribution Company	22 Kamal El Din Hussein Street, Sheraton, Cairo, Egypt	NA	99	100	Sec. 2(87)
46.	Ensure Middle East Technology Solutions LLC^	PO :52439 Office 102 Burj Al Arab Tower, Hamdan Str, Abu Dhabi	NA	49	100	Sec. 2(87)
47.	Citrus Consulting Services FZ LLC	Executive Office No.3 Ground floor, Building 01, Dubai Internet city Dubai, UAE	NA	84.80	84.80	Sec. 2(87)
48.	Online Elektronik Ticaret Hizmetleri Anonim Sirketi#	Merkez Mahallesi, Göktürk Caddesi No: 4 Eyüp 34077 İstanbul Turkey	NA	49.40	49.40	Sec. 2(87)
49.	Arena Mobile İletişim Hizmetleri Ve Tüketici Elektronik Sanayi Ve Ticaret A.S#	Merkez Mahallesi, Göktürk Caddesi No: 4 Eyüp 34077 İstanbul Turkey	NA	49.40	49.40	Sec. 2(87)
50.	Paynet (Kıbrıs) Odeme Hizmetleri#	7 İnegöl Sokak Karakol Gazimağusa Kıbrıs	NA	49.40	49.40	Sec. 2(87)
51.	Ensure Services Limited	9 th Floor, 18, Al Bustan St, Bab Al Louq, Abdeen, Cairo	NA	99	100	Sec. 2(87)
52.	Redington Cote D'ivoire SARL	Immeuble SCI D'Abetty face Paroisse Notre Dame D'Afrique Boulevard de Marseille, Bietry, 01 BP 1330 Abidjan 01 Cote D'Ivoire	NA	100	100	Sec. 2(87)
53.	Africa Joint Technical Services	Shabiyah, Tripoli Libya	NA	65	100	Sec. 2(87)
54.	Redington Angola Ltd.	Largo 4 De Fevereiro N 3, Ingombota Luanda, Angola	NA	100	100	Sec. 2(87)

Note:

^ Although the holding is less than 50% of Equity Shares, the group has the power over these companies, is exposed to or has rights to variable returns from its involvement with these companies and has the ability to use its power over these companies to affect its returns and therefore exercises effective control. Consequently, these entities are considered as subsidiaries.

Redington Turkey Holdings S.A.R.L (RTHS), Luxembourg has power over these companies, is exposed to or has rights to variable returns from its involvement with these companies and has the ability to use its power over these companies to affect its returns (through control over the composition of the Board of Directors of Arena Bilgisayar Sanayi Ve Ticaret Anonim Sirketi's (Arena). Consequently Arena and its subsidiaries are considered as subsidiaries.

d) Associate Companies

Sl. No	Name of the Company	Address of the Company	CIN/GLN	% of shares held	Applicable Section
1.	Redington (India) Investments Limited	SPL Guindy House, 95 Mount Road, Chennai - 600 032	U65993TN1995PLC032050	47.62	Sec. 2(6)

Subsidiary of Associate Company

Sl. No	Name of the Company	Address of the Company	CIN/GLN	% of shares held	Applicable Section
1.	Currents Technology Retail (India) Limited	No.79, JN Road (100 Feet Road), Vadapalani, Chennai - 600 026	U52390TN2011PLC081001	47.62	Sec. 2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding :

Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1. INDIAN									
a. Individuals/Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	-
b. Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	-
c. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	-
d. Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	-
e. Any Other	0	0	0	0.00	0	0	0	0.00	-
SUB - TOTAL (A)(1)	0	0	0	0.00	0	0	0	0.00	-
2. FOREIGN									
a. Individuals (Non- Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	-
b. Individuals - Others	0	0	0	0.00	0	0	0	0.00	-
c. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	-
d. Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	-
e. Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
f. Any Other	0	0	0	0.00	0	0	0	0.00	-
SUB - TOTAL (A)(2)	0	0	0	0.00	0	0	0	0.00	-
TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	0	0	0	0.00	0	0	0	0.00	-
B. PUBLIC SHAREHOLDING									
1. INSTITUTIONS									
a. Mutual Funds	5,47,38,685	0	5,47,38,685	14.07	4,51,11,772	0	4,51,11,772	11.59	(2.47)
b. Financial Institutions/ Banks	20,875	0	20,875	0.01	29,796	0	29,796	0.01	-
c. Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	-
d. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
e. Insurance Companies	2,15,77,719	0	2,15,77,719	5.55	1,82,81,767	0	1,82,81,767	4.70	(0.85)
f. Foreign Institutional Investors	48,74,334	0	48,74,334	1.25	0	0	0	0.00	(1.25)
g. Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	-

Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h. Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
i. Any Other									
Alternate Investment Funds	12,15,441	0	12,15,441	0.31	16,82,441	0	16,82,441	0.43	0.12
Foreign Portfolio Investor (Corporate) Category I	88,48,568	0	88,48,568	2.27	14,02,27,807	0	14,02,27,807	36.04	33.77
Foreign Portfolio Investor (Corporate) Category II	11,84,09,957	0	11,84,09,957	30.43	2,35,96,177	0	2,35,96,177	6.06	(24.37)
Foreign Portfolio Investor (Corporate) Category III	67,32,753	0	67,32,753	1.73	0	0	0	0.00	(1.73)
SUB - TOTAL (B)(1)	21,64,18,332	0	21,64,18,332	55.62	22,89,29,760	0	22,89,29,760	58.84	3.21
2. NON-INSTITUTIONS									
a. Bodies Corporate									
i. Indian	79,28,343	0	79,28,343	2.04	66,92,036	0	66,92,036	1.72	(0.32)
ii. Overseas	5,38,37,727	9,42,95,940	14,81,33,667	38.07	4,39,88,027	9,42,95,940	13,82,83,967	35.54	(2.53)
b. Individuals -									
i. Individual Shareholders Holding Nominal Share Capital Upto ₹1 Lakh	82,38,717	13,156	82,51,873	2.12	72,13,554	8,156	72,21,710	1.86	(0.26)
ii. Individual Shareholders Holding Nominal Share Capital In Excess Of ₹1 Lakh	49,80,431	0	49,80,431	1.28	46,70,523	0	46,70,523	1.20	(0.08)
c. Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
d. Any Other									
Clearing Members	1,70,486	0	1,70,486	0.04	3,58,172	0	3,58,172	0.09	0.05
Directors and their Relatives	6,09,946	50	6,09,996	0.16	6,50,304	50	6,50,354	0.17	0.01
Foreign Nationals	24,500	1,250	25,750	0.01	24,500	1,250	25,750	0.01	0.00
Hindu Undivided Families	5,26,812	0	5,26,812	0.14	3,55,757	0	3,55,757	0.09	(0.04)
Non Resident Indians	19,61,075	17,195	19,78,270	0.51	18,79,266	15,195	18,94,461	0.49	(0.02)
IEPF	4,061	0	4,061	0.00	4,162	0	4,162	0.00	0.00
Trusts	53,294	0	53,294	0.01	1,098	0	1,098	0.00	(0.01)
SUB - TOTAL (B)(2)	7,83,35,392	9,43,27,591	17,26,62,983	44.38	6,58,37,399	9,43,20,591	16,01,57,990	41.16	(3.21)
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	29,47,53,724	9,43,27,591	38,90,81,315	100.00	29,47,67,159	9,43,20,591	38,90,87,750	100.00	-
TOTAL (A)+(B)	29,47,53,724	9,43,27,591	38,90,81,315	100.00	29,47,67,159	9,43,20,591	38,90,87,750	100.00	-
C. SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	-
Public	0	0	0	0.00	0	0	0	0.00	-
TOTAL CUSTODIAN (C)	0	0	0	0.00	0	0	0	0.00	-
GRAND TOTAL (A)+(B)+(C)	29,47,53,724	9,43,27,591	38,90,81,315	100.00	29,47,67,159	9,43,20,591	38,90,87,750	100.00	-

(ii) Shareholding of promoters - Nil

(iii) Change in Promoters' Shareholding

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1.	HARROW INVESTMENT HOLDING LIMITED*				
	At the beginning of the year 01-Apr-2019	0	0.00	0	0.00
	Changes during the Year	0	0.00	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00

* M/s. Harrow Investment Holding Limited ceased to be promoter of the Company pursuant to approvals received from BSE Limited and National Stock Exchange of India Limited dated September 19, 2019.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No of shares	% of total shares of the company	No of shares	% of total shares of the company	
1	SYNNEX MAURITIUS LTD					
	At the beginning of the year 01-Apr-2019	9,42,95,940	24.24	9,42,95,940	24.24	
	At the end of the Year 31-Mar-2020	9,42,95,940	24.24	9,42,95,940	24.24	
2	MARINA IV (SINGAPORE) PTE.LTD.					
	At the beginning of the year 01-Apr-2019	3,94,25,695	10.13	3,94,25,695	10.13	
	At the end of the Year 31-Mar-2020	3,94,25,695	10.13	3,94,25,695	10.13	
3	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD					
	At the beginning of the year 01-Apr-2019	2,15,77,719	5.55	2,15,77,719	5.55	
	Changes during the year					
	Date of Change	Reason				
	05-Apr-19	Purchase	2,00,000	0.05	2,17,77,719	5.60
	12-Apr-19	Sale	-33,202	0.01	2,17,44,517	5.59
	19-Apr-19	Sale	-23,000	0.01	2,17,21,517	5.58
	03-May-19	Purchase	97,615	0.03	2,18,19,132	5.61
	31-May-19	Purchase	3,31,604	0.09	2,21,50,736	5.69
	07-Jun-19	Sale	-66,883	0.02	2,20,83,853	5.68
	14-Jun-19	Sale	-96,511	0.02	2,19,87,342	5.65
	21-Jun-19	Sale	-3,89,369	0.10	2,15,97,973	5.55
	28-Jun-19	Sale	-1,46,932	0.04	2,14,51,041	5.51
	05-Jul-19	Sale	-74,067	0.02	2,13,76,974	5.49
	23-Jul-19	Sale	-2,891	0.00	2,13,74,083	5.49
	26-Jul-19	Sale	-67,836	0.02	2,13,06,247	5.48
	02-Aug-19	Sale	-14,073	0.00	2,12,92,174	5.47
	09-Aug-19	Sale	-11,000	0.00	2,12,81,174	5.47
	16-Aug-19	Sale	-3,25,438	0.08	2,09,55,736	5.39
	23-Aug-19	Sale	-2,45,427	0.06	2,07,10,309	5.32
	30-Aug-19	Sale	-25,27,283	0.65	1,81,83,026	4.67
	04-Oct-19	Purchase	60,906	0.02	1,82,43,932	4.69
	15-Nov-19	Purchase	61,184	0.02	1,83,05,116	4.70
	22-Nov-19	Purchase	3,48,971	0.09	1,86,54,087	4.79

SI No.	Name of the Share holder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No of shares	% of total shares of the company	No of shares	% of total shares of the company
	29-Nov-19	Sale	-305	0.00	1,86,53,782	4.79
	20-Dec-19	Purchase	24,149	0.01	1,86,77,931	4.80
	03-Jan-20	Purchase	64,378	0.02	1,87,42,309	4.82
	17-Jan-20	Sale	-4,70,000	0.12	1,82,72,309	4.70
	28-Feb-20	Purchase	9,458	0.00	1,82,81,767	4.70
	At the end of the Year 31-Mar-2020		1,82,81,767	4.70	1,82,81,767	4.70
4	FRANKLIN TEMPLETON INVESTMENT FUNDS					
	At the beginning of the year 01-Apr-2019		2,00,45,105	5.15	2,00,45,105	5.15
	Changes during the year					
	Date of change	Reason				
	21-Jun-2019	Purchase	5,492	0.00	2,00,50,597	5.15
	30-Aug-2019	Sale	-37,00,000	0.95	1,63,50,597	4.20
	At the end of the Year 31-Mar-2020		1,63,50,597	4.20	1,63,50,597	4.20
5(a)	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND					
	At the beginning of the year 01-Apr-2019		1,77,30,803	4.56	1,77,30,803	4.56
	At the end of the Year 31-Mar-2020		1,77,30,803	4.56	1,77,30,803	4.56
5(b)	HDFC TRUSTEE COMPANY LTD - A/C HDFC HYBRID EQUITY FUND					
	At the beginning of the year 01-Apr-2019		81,07,043	2.08	81,07,043	2.08
	At the end of the Year 31-Mar-2020		81,07,043	2.08	81,07,043	2.08
5(c)	HDFC SMALL CAP FUND					
	At the beginning of the year 01-Apr-2019		65,03,402	1.67	65,03,402	1.67
	At the end of the Year 31-Mar-2020		65,03,402	1.67	65,03,402	1.67
5(d)	HDFC TRUSTEE COMPANY LTD - HDFC LONG TERM ADVANTAGE FUND					
	At the beginning of the year 01-Apr-2019		19,51,513	0.50	19,51,513	0.50
	At the end of the Year 31-Mar-2020		19,51,513	0.50	19,51,513	0.50
5(e)	HDFC TRUSTEE CO LTD A/C HDFC RETIREMENT SAVINGS FUND-EQUITY PLAN					
	At the beginning of the year 01-Apr-2019		5,52,278	0.14	5,52,278	0.14
	Changes during the year					
	Date of change	Reason				
	12-Apr-2019	Purchase	4,00,000	0.10	9,52,278	0.24
	19-Apr-2019	Purchase	47,722	0.01	10,00,000	0.26
	At the end of the Year 31-Mar-2020		10,00,000	0.26	10,00,000	0.26
5(f)	HDFC TRUSTEE COMPANY LTD. A/C HDFC MULTI-ASSET FUND					
	At the beginning of the year 01-Apr-2019		2,05,628	0.05	2,05,628	0.05
	Changes during the year					
	Date of change	Reason				
	12-Apr-2019	Purchase	1,00,000	0.03	3,05,628	0.08
	At the end of the Year 31-Mar-2020		3,05,628	0.08	3,05,628	0.08
5(g)	HDFC TRUSTEE CO LTD A/C HDFC RETIREMENT SAVINGS FUND-HYBRID-EQUITY PLAN					
	At the beginning of the year 01-Apr-2019		84,892	0.02	84,892	0.02
	Changes during the year					
	Date of change	Reason				

SI No.	Name of the Share holder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No of shares	% of total shares of the company	No of shares	% of total shares of the company
	12-Apr-2019	Purchase	2,75,108	0.07	3,60,000	0.09
	17-May-2019	Purchase	1,630	0.00	3,61,630	0.09
	At the end of the Year 31-Mar-2020		3,61,630	0.09	3,61,630	0.09
5(h)	HDFC TRUSTEE CO LTD A/C HDFC RETIREMENT SAVINGS FUND-HYBRID-DEBT PLAN®					
	At the beginning of the year 01-Apr-2019		0	0.00	0	0.00
	Changes during the year					
	Date of change	Reason				
	12-Apr-2019	Purchase	30,000	0.01	30,000	0.01
	At the end of the Year 31-Mar-2020		30,000	0.01	30,000	0.01
6	FIDELITY PURITAN TRUST-FIDELITY LOW-PRICED STOCK FUND					
	At the beginning of the year 01-Apr-2019		1,39,47,410	3.58	1,39,47,410	3.58
	At the end of the Year 31-Mar-2020		1,39,47,410	3.58	1,39,47,410	3.58
7	FIDELITY FUNDS - ASIAN SMALLER COMPANIES POOL					
	At the beginning of the year 01-Apr-2019		1,17,83,897	3.03	1,17,83,897	3.03
	Changes during the year					
	Date of Change	Reason				
	17-May-2019	Purchase	49,634	0.01	1,18,33,531	3.04
	31-May-2019	Purchase	8,62,383	0.22	1,26,95,914	3.26
	07-Jun-2019	Purchase	8,21,012	0.21	1,35,16,926	3.47
	14-Jun-2019	Purchase	25,672	0.01	1,35,42,598	3.48
	19-Jul-2019	Purchase	4,21,152	0.11	1,39,63,750	3.59
	23-Jul-2019	Purchase	14,362	0.00	1,39,78,112	3.59
	26-Jul-2019	Purchase	5,848	0.00	1,39,83,960	3.59
	02-Aug-2019	Purchase	31,810	0.01	1,40,15,770	3.60
	09-Aug-2019	Purchase	3,275	0.00	1,40,19,045	3.60
	23-Aug-2019	Purchase	2,75,279	0.07	1,42,94,324	3.67
	30-Aug-2019	Purchase	8,51,734	0.22	1,51,46,058	3.89
	25-Oct-2019	Sale	-1,37,015	0.04	1,50,09,043	3.86
	08-Nov-2019	Sale	-12,587	0.00	1,49,96,456	3.85
	At the end of the Year 31-Mar-2020		1,49,96,456	3.85	1,49,96,456	3.85
8	STANDARD CHARTERED PRIVATE EQUITY (MAURITIUS)III LIMITED^s					
	At the beginning of the year 01-Apr-2019		98,49,700	2.54	98,49,700	2.53
	Changes during the year					
	Date of Change	Reason				
	03-May-2019	Sale	-25,08,032	0.64	73,41,668	1.89
	05-Sep-2019	Sale	-73,41,668	1.89	0	0.00
	At the end of the Year 31-Mar-2020		0	0.00	0	0.00
9	STANDARD CHARTERED PRIVATE EQUITY (MAURITIUS) LIMITED^s					
	At the beginning of the year 01-Apr-2019		77,67,867	2.00	77,67,867	2.00
	Changes during the year					
	Date of Change	Reason				
	05-Apr-2019	Sale	-45,57,135	1.17	32,10,732	0.83
	06-Sep-2019	Sale	-32,10,732	0.83	0	0.00
	At the end of the Year 31-Mar-2020		0	0.00	0	0.00

SI No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No of shares	% of total shares of the company	No of shares	% of total shares of the company	
10	GOVERNMENT PENSION FUND GLOBAL[§]					
	At the beginning of the year 01-Apr-2019	73,33,367	1.88	73,33,367	1.88	
	Changes during the year					
	Date of Change	Reason				
	05-Apr-2019	Sale	-92,524	0.02	72,40,843	1.86
	12-Apr-2019	Sale	-1,54,374	0.04	70,86,469	1.82
	26-Apr-2019	Sale	-12,259	0.00	70,74,210	1.82
	03-May-2019	Sale	-3,145	0.00	70,71,065	1.82
	10-May-2019	Sale	-94,177	0.02	69,76,888	1.79
	17-May-2019	Sale	-13,795	0.00	69,63,093	1.79
	05-Jul-2019	Sale	-3,67,000	0.09	65,96,093	1.70
	12-Jul-2019	Sale	-2,58,147	0.07	63,37,946	1.63
	19-Jul-2019	Sale	-7,23,773	0.19	56,14,173	1.44
	20-Sep-2019	Sale	-5,75,000	0.15	50,39,173	1.30
	27-Sep-2019	Sale	-1,15,328	0.03	49,23,845	1.27
	22-Nov-2019	Sale	-6,28,900	0.16	42,94,945	1.10
	31-Jan-2020	Sale	-2,43,000	0.06	40,51,945	1.04
	At the end of the Year 31-Mar-2020		40,51,945	1.04	40,51,945	1.04
11	AUGUSTA INVESTMENTS I PTE. LTD.[@]					
	At the beginning of the year 01-Apr-2019	0	0.00	0	0.00	
	Changes during the year					
	Date of Change	Reason				
	06-Sep-2019	Purchase	1,05,52,400	2.71	1,05,52,400	2.71
	At the end of the Year 31-Mar-2020		1,05,52,400	2.71	1,05,52,400	2.71
12	MARINA IV LP[@]					
	At the beginning of the year 01-Apr-2019	0	0.00	0	0.00	
	Changes during the year					
	Date of Change	Reason				
	12-Apr-2019	Purchase	45,57,135	1.17	45,57,135	1.17
	10-May-2019	Purchase	25,08,032	0.64	70,65,167	1.82
	At the end of the Year 31-Mar-2020		70,65,167	1.82	70,65,167	1.82
13	FIDELITY NORTHSTAR FUND[@]					
	At the beginning of the year 01-Apr-2019	67,66,641	1.74	67,66,641	1.74	
	At the end of the Year 31-Mar-2020	67,66,641	1.74	67,66,641	1.74	

Note: The above information is based on the weekly beneficiary position received from Depositories and compiled by the Registrar and Share Transfer Agents. Shareholders having common PAN are grouped together.

@ Entered into Top 10 shareholders list during the year

§ Ceased to be Top 10 shareholder during the year

v) Shareholding of Directors and Key Managerial Personnel

Sl No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	MR. RAJ SHANKAR (Managing Director)				
	At the beginning of the year 01-Apr-2019	5,94,946	0.15	5,94,946	0.15
	At the end of the Year 31-Mar-2020	5,94,946	0.15	5,94,946	0.15
2	MR. S V KRISHNAN (Whole Time Director and Chief Financial Officer)				
	At the beginning of the year 01-Apr-2019	50,408	0.01	50,408	0.01
	At the end of the Year 31-Mar-2020	50,408	0.01	50,408	0.01
3	PROF. J RAMACHANDRAN (Independent Director)				
	At the beginning of the year 01-Apr-2019	5,000	0.00	5,000	0.00
	At the end of the Year 31-Mar-2020	5,000	0.00	5,000	0.00
4	MR. M MUTHUKUMARASAMY (Company Secretary)				
	At the beginning of the year 01-Apr-2019	36,805	0.01	36,805	0.01
	At the end of the Year 31-Mar-2020	36,805	0.01	36,805	0.01

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment. (₹ In Lakhs)

Details	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	42,807.01	40,247.58	-	83,054.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	384.87	-	-	384.87
Total (i+ii+iii)	43,191.88	40,247.58	-	83,439.46
Change in Indebtedness during the financial year (Principal Amount)				
Addition	1,88,134.55	8,18,932.23	-	10,07,066.78
Reduction	1,63,546.35	8,09,347.11	-	9,72,893.46
Net Change	24,588.20	9,585.12	-	34,173.32
Indebtedness at the end of the financial year				
i) Principal Amount	67,395.21	49,832.70	-	1,17,227.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	255.65	88.08	-	343.74
Total (i+ii+iii)	67,650.86	49,920.78	-	1,17,571.65

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: (₹ In Lakhs)

Particulars of remuneration	Mr. E. H. Kasturi Rangan (Whole Time Director till May 22, 2019)	Mr. S. V. Krishnan Whole Time Director and Chief Financial Officer* (Whole Time Director from May 22, 2019)
Gross Salary		
• Salary as per provisions contained in Section 17(1) of Income Tax Act 1961	8.70	75.66
• Value of Perquisites u/s 17(2) Income Tax Act 1961		
• Profits in lieu of salary as per Income Tax Act 1961		
Stock Option	NIL	NIL
Sweat Equity	NIL	NIL
Commission		
- as % of profit	NIL	NIL
- others, specify...		
Others, please specify	NIL	NIL
Total Managerial Remuneration (A)	8.70	75.66
Ceiling as per the Act (being 10% of Net Profits of the Company as calculated under 198 of the Companies Act, 2013)		6,250.54

* Mr. S. V. Krishnan, Chief Financial Officer was inducted in the Board and appointed as Whole Time Director from May 22, 2019. Remuneration for full financial year 2019-20 is considered.

B. REMUNERATION TO OTHER DIRECTORS EARNED DURING THE YEAR: (₹ In Lakhs)

Particulars of Remuneration	Independent Directors					Grand Total
	Prof. J. Ramachandran	Mr. V. S. Hariharan	Mr. Keith WF Bradley	Mr. B. Ramaratnam	Ms. Anita P Belani	
Name of Directors						
Fees for attending Board/ Committee Meetings	6.55	4.90	2.60	5.30	2.25	21.60
Commissions	33.00	23.00	23.00	23.00	23.00	125.00
Others, Please Specify	-	-	-	-	-	-
Total (B)	39.55	27.90	25.60	28.30	25.25	146.60
Ceiling as per the Act (being 1% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013)						625.05
Total (A+B)						230.96
Overall Ceiling as per the Act (being 11% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013)						6,875.60

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD (₹ In Lakhs)

Particulars remuneration	Mr.M. Muthukumarasamy Company Secretary
Gross Salary	
• Salary as per provisions contained in Section 17(1) of Income Tax Act 1961	
• Value of Perquisites u/s 17(2) Income Tax Act 1961	31.68
• Profits in lieu of salary as per Income Tax Act 1961	
Stock Option	NIL
Sweat Equity	NIL
Commission	
- as % of profit	NIL
- others, specify...	
Others, please specify	NIL
Total	31.68
Ceiling as per the Act	Not applicable

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

ANNEXURE- J

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:

The Company has not entered into any contracts/arrangements/transactions with its related parties which are not in ordinary course of business or at arm's length during FY 2019-20.

- a) Name(s) of the related party and nature of relationship: Not Applicable
- b) Nature of contracts/arrangements/transactions: Not Applicable
- c) Duration of the contracts/arrangements/transactions: Not Applicable
- d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- f) Date(s) of approval by the Board: Not Applicable
- g) Amount paid as advances, if any: Not Applicable
- h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis:

- a) Name (s) of the related party and nature of relationship: Not Applicable
- b) Nature of contracts/arrangements/transactions: Not Applicable
- c) Duration of the contracts /arrangements/transactions: Not Applicable
- d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- e) Date(s) of approval by the Board, if any: Not Applicable
- f) Amount paid as advances, if any: Not Applicable

Note: The above disclosures on material transactions are based on the principle and fact that transactions with wholly owned subsidiaries are exempt for purpose of section 188(1) of the Act and no material transactions entered into with associate companies.

On behalf of the Board of Directors

Place: Bengaluru
Date: June 11, 2020

J. Ramachandran
Chairman

ANNEXURE K

POLICY ON DIVIDEND DISTRIBUTION

Purpose

The Company's dividend policy is to increase the shareholders' return by way of declaring increased dividends, considering two primary factors i.e. Earnings and the financial needs of the Company

This policy is drafted in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The parameters set out in the policy are applicable for declaration of both Interim Dividend and Final Dividend.

Process for declaration and distribution of Dividend

The Board of Directors recommend/declare dividend as per the provisions of Companies Act, 2013. Interim Dividend will be paid on declaration of the same by the Board and the final dividend will be paid on the approval of shareholders at the Annual General Meeting. The company pays the dividend within 30 days of approval of shareholders / declaration by the Board.

Parameters to be considered for declaration of Dividend

1) Financial Parameters

- a. Quantum of Standalone and Consolidated Net Profits
- b. An Acceptable debt level and debt to equity ratio
- c. Adequate Cash flow

2) Internal and external factors

- a. Budget and forecast of future - Plans for any fund requirements, eg., Investment in new business verticals, expansion of business to new areas, Mergers & Acquisitions and downstream investment etc.
- b. Liquidity Position - If the Company has negative cash flow on year to date basis then the Company may choose to declare dividend or not.
- c. Business and Regulatory contingencies - If the Company expects any liabilities including statutory liabilities, non-performance of business verticals, then company need to save cash instead of paying out as dividend.

The Company may utilize its Retained earnings after paying dividends for building strong reserves for future expansion plans and for contingencies.

The Company has only a single class of shares (Equity) and this policy shall be applicable only in this respect.

This Policy is subject to regulations such as the Companies Act, 2013, the SEBI (LODR) Regulations, 2015 and other provisions that govern the declaration and distribution of dividend applicable to the Company and shall stand amended in line with any regulatory amendments, modifications as the case may be.

The Company, from time to time will declare the changes and rationale for changes on its website and the Annual Report as and when applicable.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on corporate governance is closely woven considering the long-term interests of the Company to fulfill its responsibilities to all its stakeholders'. The Company constantly endeavors to adapt to highest corporate governance standards in a manner that is dignified, distinctive and responsible.

The governance structure has been designed to be in alignment with principled actions, effective decision-making and appropriate monitoring of compliance and performance, thereby inspiring trust amongst stakeholders and strengthening the Board. The Company has envisaged various codes of conducts that applies to all levels of the organization, in true spirit, respecting the compliance requirements under various applicable statutes. The values of Redington, such as Trust, Integrity, Accountability, Independence, Transparency are in the DNA, around which the rigid wheel of corporate governance rotates.

The paradigm of focus has been consistently aligned with the vision of enhancing long term value creation for all stakeholders, without compromising on integrity, societal obligations, and regulatory compliances. The Company has been in constant pursuit of adhering to emerging global good practices, thereby raising its benchmark to match global standards.

This report sets out the Company's Corporate Governance processes and activities for the financial year 2019-20 with reference to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015]

BOARD OF DIRECTORS

The Board of Redington has the right mix of leaders and thinkers who have acknowledged the focus of the Company in creating value to all its stakeholders. Their collective wisdom, experience and vision has been material to make Redington the leading technology distributor and supply chain solutions provider in the market.

Through its oversight, review and counsel, the Board establishes and promotes Redington's business and organizational objectives. The Board of Directors has the authority and practices in place, to review and evaluate the Company's business operations, independent of the management of the Company. The Board recognizes that the long-term interests of the shareholders are advanced by responsibly addressing the concerns of other stakeholders, including employees, channel partners, suppliers, government and the public, by exercising direct oversight of strategic risks to the Company.

The Board composition has been framed in compliance with the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Total strength of the Board as on March 31, 2020 is ten (10) out of which eight (8) Directors are Non-Executive Directors. The Chairperson of the Board is a Non-Executive Independent Director and four (4) other Independent Directors together constitute one half of the total strength of the Board. The Company has received necessary declaration from Independent Directors that they fulfill "independence" criteria, stipulated in SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 ("Act") and the rules framed thereunder. In the opinion of the Board, the Independent Directors fulfill the conditions specified in Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and are independent of the management.

During the Financial Year 2019-20, six (6) Board Meetings were held on May 22, 2019, August 13, 2019, November 5, 2019, November 21, 2019, February 6, 2020 and February 20, 2020. The maximum time gap between any two meetings was less than 120 days. Necessary quorum was present throughout all the meetings. One separate meeting of the independent Directors of the Company was held on February 6, 2020.

The Directors, at the time of their appointment, are provided with the orientation on the Company's organization structure, business model, vision and values and internal policies to enable them to familiarize themselves with the Company's procedures and practices. The new Directors are apprised on the Company's strategies and policies that assists them in developing the skills and expertise required for their service on the Board. Both the new and the existing directors are periodically familiarized with the operations of the Company and also about its subsidiaries in India and Overseas. The details of such familiarization programmes are uploaded on the website of the Company.

(<https://redingtongroup.com/wp-content/uploads/2018/12/Familiarisation-programme.pdf>).

The Composition of the Board and the details of Directors' participation at the Board Meetings and the Annual General Meeting held during FY 2019-20:

Name of Director	DIN	Category	No. of Board Meetings		Whether Attended Last AGM
			Held during tenure	Attended	
Prof. J. Ramachandran	00004593	Non-Executive Independent Chairman	6	6	
Mr. Tu, Shu-Chyuan [§]	02336015	Non-Executive Nominee Director	6	6	
Ms. Chen, Yi-Ju [§]	08031113	Non-Executive Nominee Director	6	6	
Mr. Udai Dhawan [^]	03048040	Non-Executive Nominee Director	6	4	
Mr. B. Ramaratnam	07525213	Independent Director	6	5	
Mr. V.S. Hariharan	05352003	Independent Director	6	6	
Mr. Keith WF Bradley	06564581	Independent Director	6	4	
Ms. Anita P Belani [@]	01532511	Independent Director	6	5	
Mr. Raj Shankar	00238790	Managing Director	6	6	
Mr. S.V. Krishnan [#]	07518349	Whole-Time Director and Chief Financial Officer	6	5	
Mr. E.H. Kasturi Rangan [*]	01814089	Whole-Time Director	1	1	NA

Attended Last AGM, Not Attended Last AGM

* Stepped down from the Board on May 22, 2019

@ Inducted effective April 1, 2019

Inducted as Whole-Time Director on May 22, 2019

§ Represent Synnex Mauritius Limited, shareholder of the Company

^ Represent Augusta Investments I Pte. Ltd., Marina Horizon (Singapore) Pte. Ltd., Marina IV (Singapore) Pte. Ltd., and Marina IV LP, shareholders of the Company

Note: There is no inter-se relationship between the Directors of the Company.

Details of the Directorships and Membership / Chairmanship of Committees of each director in other Indian Public Companies as on March 31, 2020:

Name of the Director	Directorship in other Indian Public Companies	Listing Status	Category of Directorship	Committee Membership*	Committee Chairmanship*
Prof. J. Ramachandran	ProConnect Supply Chain Solutions	Unlisted	Independent Director	0	0
Mr. Udai Dhawan	Prime Focus Limited	Listed	Non-Executive Director	3	0
	Ocean Sparkle Limited	Unlisted			
	Powerica Limited	Unlisted			
	Craftsman Automation Limited	Unlisted			
	Tirupati Medicare Limited	Unlisted			
Mr. V.S. Hariharan	Rex-Tone Industries Limited	Unlisted	Independent Director	0	0
Mr. B. Ramaratnam	Cholamandalam Financial Holdings Limited	Listed	Independent Director	1	1
Ms. Anita P Belani	Foseco India Limited	Listed	Independent Director	5	0
	Eternis Fine Chemicals Limited	Unlisted	Non-Executive Director		
	IDFC Financial Holding Company Limited	Unlisted	Independent Director		
	IDFC Asset Management Company Limited	Unlisted	Independent Director		
Mr. S.V. Krishnan	ProConnect Supply Chain Solutions Limited	Unlisted	Non-Executive Director	0	0
	Ensure Support Services (India) Limited	Unlisted	Non-Executive Director		























Notes:























- *Memberships/Chairmanships in Audit Committee and Stakeholders' Relationship Committee are only considered for the purpose of details of Committees given above (as per Regulation 26 (1) of SEBI (LODR) Regulations, 2015).
- None of the Directors of the Company have held memberships in more than ten (10) committees nor are they Chairpersons of more than five (5) committees at any time during the year [as per Regulation 26 (1) of SEBI (LODR) Regulations, 2015].
- Mr. Raj Shankar, Mr. Keith W F Bradley, Mr. Tu, Shu-Chyuan and Ms. Chen, Yi-Ju are not Directors in the Board of any of the Indian Public Companies. Hence, details pertaining to their Directorship/Membership is not covered in the above table.

SKILLS, EXPERTISE AND COMPETENCE OF THE BOARD OF DIRECTORS

					
Leadership	Strategy Expertise	Distribution Experience	Vendor Experience	Talent Management	Accounting & Finance

The Company has mapped the skills, expertise and competencies possessed by the Board. Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the below chart sets out the skills, expertise and competencies possessed by the Directors.

Skill / Expertise	Prof. J. Ramachandran	Mr. V.S. Hariharan	Mr. B. Ramaratnam	Mr. Keith W F Bradley	Ms. Anita P Belani
Leadership					
Strategy Expertise					
Distribution Experience					
Vendor Experience					
Talent Management					
Accounting & Finance					

Skill / Expertise	Mr. Tu, Shu Chyuan	Ms. Chen, Yi-Ju	Mr. Udai Dhawan	Mr. Raj Shankar	Mr. S.V. Krishnan
Leadership					
Strategy Expertise					
Distribution Experience					
Vendor Experience					
Talent Management					
Accounting & Finance					

Committees of the Board




The Board, as on March 31, 2020, has constituted the following committees, namely Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Risk Management Committee, Strategy Committee. During FY 2019-20, the ESOP Compensation Committee and the ESOP Share Allotment Committee were dissolved pursuant to closure of Redington Employee Stock Option Plan, 2008. All committees are chaired by Non-Executive Directors.

Generally, the Audit Committee and Stakeholders' Relationship Committee meet at least four times a year; other statutory committees meet at least once a year and all other committees meet on need basis. All the recommendations of the Committee are placed before the Board for its consideration.

The quorum for Committee meetings is either two members or one third of the total strength of the Committee, whichever is higher, except where the quorum has been prescribed by statute. The Chairman of each of the Committees provides an update on the deliberations and decisions taken during the Committee meetings to the Board of Directors at the succeeding Board Meeting. Draft minutes of the Board and Committee meetings are circulated to the respective members for their comments and thereafter confirmed. The Board also takes note of the minutes of the Committee meetings held during the previous quarter at the next meeting.

 Independent Director  Non-Executive Director  Executive Director  Woman Director

I. Audit Committee

Chairman	Member	Member
		
Mr. B. Ramaratnam, Independent Director	Prof. J. Ramachandran, Independent Director	Mr. Keith WF Bradley, Independent Director

The Audit Committee comprises of three Independent Directors namely, Mr. B. Ramaratnam, Prof. J. Ramachandran and Mr. Keith WF Bradley. The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure the highest level of transparency, accuracy and integrity in financial reporting. All the members of the Committee are financially literate. The Chief Financial Officer of the Company, Partners/Representatives of the Statutory Auditors and the Internal Auditors are invited to attend the meetings of the Committee. Presentations are made by the audit firms on their findings as well as on various regulatory updates. To ensure Committee's effective performance, the Board has laid down the charter of the Audit Committee as given below. It encapsulates the requirements specified under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and inter-alia provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.









The terms of reference of the Committee inter alia, include the following:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of internal financial controls and risk management systems;

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Valuation of undertaking or assets of the listed entity, wherever it is necessary
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the Directors' Responsibility Statement which forms part of the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) major accounting entries involving estimates based on the exercise of judgment by management;
 - c) compliance with listing and other legal requirements relating to financial statements;
 - d) disclosure of any related party transactions;
 - e) changes, if any, in the accounting policies and practices and reasons for the same;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary, exceeding rupees 100 crores or 10% of asset size of the subsidiary, whichever is lower, including existing loans / advances / investments

Attendance record of Audit Committee:

During FY 2019-20, the Audit Committee met four times - May 21, 2019, August 12, 2019, November 4, 2019 and February 5, 2020. The details of attendance of Audit Committee meetings are given below:

Sl. No.	Director Name	Category	Position	Held during Tenure	Total attended
1	Mr. B. Ramaratnam	Independent Director	Chairman		
2	Prof. J. Ramachandran	Independent Director	Member		
3	Mr. Keith WF Bradley	Independent Director	Member		
4	Mr. V. S. Hariharan*	Independent Director	Member		

*Ceased to be member of the Committee from August 13, 2019

II. Stakeholders' Relationship Committee:

Chairman	Member	Member
Mr. B. Ramaratnam, Independent Director	Mr. Udai Dhawan, Non-Executive Director	Mr. S.V. Krishnan, Whole-Time Director and Chief Financial Officer

The Company has constituted a Stakeholders' Relationship Committee with an objective to monitor and resolve the grievances of the security holders of the Company.

The terms of reference of the Committee inter alia, include the following:

- Resolving the grievances of the shareholders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate certificates, general meetings;
- Reviewing of measures taken for effective exercise of voting rights by shareholders;
- Reviewing adherence to the service standards adopted in respect of various services rendered by Registrar & Share Transfer Agent;
- Reviewing various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders;

The Committee consists of Mr. B. Ramaratnam, Independent Director, Mr. Udai Dhawan, Non-Executive Director and Mr. S.V. Krishnan, Whole-Time Director and Chief Financial Officer.

During the year, the Company had received two (2) complaints from the shareholders, one pertaining to non-receipt of Annual Report for FY 2018-19 and other requesting the Company to send all documents only through speed post. The complaints were resolved to the satisfaction of shareholders. There are no complaints pending to be resolved at the end of the year. The Company has a dedicated e-mail address: investors@redington.co.in for shareholders to communicate their grievances.

Attendance record of Stakeholders' Relationship Committee:

During FY 2019-20, the Stakeholders' Relationship Committee met four times May 21, 2019, August 13, 2019, November 4, 2019 and February 5, 2020. The details of attendance of Stakeholders' Relationship Committee meetings are given below:





Sl. No.	Director Name	Category	Position	Held during Tenure	Total attended
1	Mr. B. Ramaratnam	Independent Director	Chairman		
2	Mr. Udai Dhawan	Non - Executive Nominee Director	Member		
3	Mr. E. H. Kasturi Rangan*	Whole Time Director	Member		
4	Mr. S. V. Krishnan#	Whole Time Director and Chief Financial Officer	Member		

* Ceased to be a member of the Committee from May 22, 2019

Co-opted as a member of the Committee from August 13, 2019

Notes: Mr. M. Muthukumarasamy, Company Secretary is designated as the Compliance Officer as well as Nodal Officer (for IEPF purpose) of the Company.

III. Nomination and Remuneration Committee

Chairman	Member	Member	Member
			
Mr. V.S. Hariharan, Independent Director	Prof. J. Ramachandran, Independent Director	Ms. Anita P Belani, Independent Director	Mr. Udai Dhawan, Non-Executive Director

The Nomination and Remuneration Committee is entrusted with the responsibility of screening and selection process of new directors. The Committee has developed the criteria for appointment of Independent Directors, Non-Executive Directors and Executive Directors in compliance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. A detailed policy on the appointment of Directors is enclosed as part of Board's Report. (Refer Part A - Annexure C).

The Chairman of the Committee makes recommendations to the Board on the induction of new Directors. The Committee is also responsible for implementing the succession policy and also for monitoring orderly succession of Board and Senior Management.

The Committee comprises of three Independent Directors and one Non-Executive Director namely, Mr. V.S. Hariharan, Prof. J. Ramachandran, Ms. Anita P Belani and Mr. Udai Dhawan, respectively.










The terms of reference of the Committee inter alia, include the following:

- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Formulating criteria for evaluation of performance of Independent Directors and the Board of Directors, and carrying out the performance evaluation of Directors;
- Reviewing the requirement for extension of term of appointment of the Independent Directors on the basis of performance evaluation and provide recommendations to the Board in this regard;
- Formulating policies for determining qualifications, positive attributes and independence of a Director and recommending to the Board, policies relating to the remuneration of Directors, Key Managerial Personnel and employees;
- Devising a policy on diversity of Board of Directors;
- Reviewing and approving the appropriate remuneration of Directors, including commission and the Senior Management Team of the Company;
- Developing policy for Succession planning of Board of Directors and senior management and recommend to the Board on their appointment and removal;

The details of annual evaluation made by the Board of its own performance and that of its Committees and individual Directors are enclosed as Annexure D of the Board's Report.

Attendance record of Nomination and Remuneration Committee:

During FY 2019-20, the Nomination and Remuneration Committee met three times - May 21, 2019, August 12, 2019 and February 5, 2020. The details of attendance of Nomination and Remuneration Committee meetings are given below:

Sl. No.	Director Name	Category	Position	Held during Tenure	Total attended
1	Mr. V. S. Hariharan	Independent Director	Chairman		
2	Prof. J. Ramachandran	Independent Director	Member		
3	Mr. Keith WF Bradley*	Independent Director	Member		-
4	Ms. Anita P Belani#	Independent Director	Member		
5	Mr. Udai Dhawan	Non - Executive Nominee Director	Member		

* Ceased to be a member of the Committee from August 13, 2019

Co-opted as member of the Committee from August 13, 2019

Details of remuneration paid / payable to Directors for the financial year ended March 31, 2020:

S. No	Name of the Directors	Gross Salary (₹/Lacs)	Commission (₹/Lacs)#	Sitting Fees (₹/Lacs)#	Total (₹/Lacs)#
1	Prof J. Ramachandran	-	33.00	6.55	39.55
2	Mr. V. S. Hariharan	-	23.00	4.90	27.90
3	Mr. Keith WF Bradley	-	23.00	2.60	25.60
4	Mr. B. Ramaratnam	-	23.00	5.30	28.30
5	Ms. Anita P Belani	-	23.00	2.25	25.25
6	Mr. S. V. Krishnan [Refer note (b) given below]	75.66	-	-	75.66
7	Mr. E. H. Kasturi Rangan [Refer note (c) given below]	8.70	-	-	8.70
	Total	84.36	125.00	21.60	230.96

Exclusive of Goods and Services Tax

Note:

- A provision of ₹ 125.00 lakhs (excluding Goods and Services Tax) is made towards payment of Commission to the Non - Executive Directors for Financial Year 2019-20.
- Pursuant to the resolution passed at the Annual General Meeting held on July 30, 2019, the Nomination and Remuneration Committee ("Committee") revised the salary of Mr. S. V. Krishnan, Whole Time Director and Chief Financial Officer with effect from July 1, 2019 as follows:

Basic Salary	₹ 2,91,667/- per month
Allowances	₹ 2,25,833/- per month
Contribution to Provident Fund	12% of the Basic Salary
Contribution to National Pension Scheme	10% of Basic Salary
Leave Travel allowance	As per policy of the Company

Performance Linked Bonus: As may be approved by the Nomination and Remuneration Committee subject to the maximum of ₹ 30 Lakhs per annum. The performance linked bonus is paid basis the achievement of performance criteria fixed by the Nomination and Remuneration Committee. Apart from this, he is eligible for ₹ 21.33 lakhs as part of Long Term Incentive programme.

Service contract and notice period are as per the HR policy of the Company. There is no separate provision for payment of severance pay.

- Mr. E.H. Kasturi Rangan served the Board from April 1, 2019 to May 22, 2019. He was paid remuneration for his tenure as a Whole Time Director. His last drawn salary package is detailed below:

Basic Salary	₹ 269,192/- per month
Allowances	₹ 209,970/- per month
Contribution to Provident Fund	12% of Basic Salary
Contribution to National Pension Scheme	10% of Basic Salary

Performance linked Bonus: As may be approved by the Nomination and Remuneration Committee subject to the maximum of ₹ 27.69 lakhs per annum

Shareholding of Directors of the Company as on March 31, 2020:





S. No.	Name of the Directors	Category	No. of Shares	% to Equity Shares
1	Prof. J. Ramachandran	Independent Director	5,000	0.0013
2	Mr. Raj Shankar	Managing Director	5,94,946	0.1529
3	Mr. S.V. Krishnan	Whole Time Director	50,408	0.0130

No stock options or Stock Appreciation Rights were granted during FY 2019-20 to any of the Directors under Employee Stock Option Plan 2008 or Redington Stock Appreciation Right Scheme, 2017 respectively.

During FY 2017-18, under Redington Stock Appreciation Right Scheme, 2017, Stock Appreciation Rights were granted to the executive directors of the Company and the details of the same are given below:

S. No.	Name of the Directors	No. of Stock Appreciation Rights
1	Mr. Raj Shankar	25,000
2	Mr. S. V. Krishnan	1,26,000

IV. Corporate Social Responsibility Committee

Chairman	Member	Member	Member
			
Mr. V. S. Hariharan, Independent Director	Mr. Keith WF Bradley, Independent Director	Mr. B. Ramaratnam, Independent Director	Ms. Anita P Belani, Independent Director

Your Company has constituted a Corporate Social Responsibility (CSR) Committee to review and monitor the CSR policy and the CSR activities undertaken by the Company. Your Company will continue to take measures to make a positive and significant contribution to society. The Company's CSR policy outlines the Company's objectives of catalyzing overall development that ensures improvement in the quality of life for the society by creating positive impact through its CSR activities aimed at environment, communities and stakeholders.









The Committee comprises of Four (4) Independent Directors, namely, Mr. V. S. Hariharan, Mr. Keith WF Bradley, Mr. B. Ramaratnam, and Ms. Anita P Belani.

The role and objective of the Committee, as defined by the Board of Directors, are as under:

- Formulation and recommendation of CSR policy to the Board;
- Identification of CSR activities to be undertaken by the Company;
- Approval of budgets and monitoring of expenditure on CSR activities, as per the CSR policy from time to time.

Attendance record of Corporate Social Responsibility Committee:

During FY 2019-20, the Corporate Social Responsibility Committee met three times - May 21, 2019, August 12, 2019 and February 5, 2020. The details of attendance of Corporate Social Responsibility Committee meetings are given below:

Sl.No.	Director Name	Category	Position	Held during tenure	Total attended
1	Mr. V. S. Hariharan	Independent Director	Chairman		
2	Mr. Keith WF Bradley	Independent Director	Member		
3	Mr. B. Ramaratnam	Independent Director	Member		
4	Ms. Anita P Belani [#]	Independent Director	Member		

[#] Co-opted as a member of the Committee from August 13, 2019

V. Risk Management Committee

Chairman	Member	Member	Member	Member
Mr. Keith WF Bradley, Independent Director	Mr. V. S. Hariharan, Independent Director	Ms. Anita P Belani, Independent Director	Mr. B. Ramaratnam, Independent Director	Mr. S. V. Krishnan, Whole Time Director and Chief Financial Officer

The Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The purpose of the committee is to assist the Board in fulfilling its responsibilities with regard to identification, evaluation and mitigation of operational and strategical risks. The Risk Management Committee has the overall responsibility of monitoring and approving risk policies and associated practices of the Company.

The terms of reference of the Committee inter alia, include the following:

- Review and approve the Risk Management Policy and associated frameworks, processes and practices;
- Ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
- Evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives and ongoing activities such as business continuity planning and disaster recovery planning & testing);
- Coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice);
- Assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks;

The Committee consists of Five (5) Directors namely, Mr. Keith WF Bradley, Independent Director, Mr. V.S. Hariharan, Independent Director, Mr. B. Ramaratnam, Independent Director, Ms. Anita P Belani, Independent Director and Mr. S.V. Krishnan, Whole Time Director and Chief Financial Officer.

Attendance record of Risk Management Committee:

The Committee met three times during the year on August 12, 2019, November 4, 2019 and February 5, 2020. The details of attendance of Risk Management Committee meetings are given below:

Sl. No.	Director Name	Category	Position	Held during tenure	Total attended
1	Mr. Keith WF Bradley	Independent Director	Chairman		
2	Mr. V. S. Hariharan	Independent Director	Member		
3	Ms. Anita P Belani [#]	Independent Director	Member		
4	Mr. B. Ramaratnam ^{&}	Independent Director	Member		
5	Mr. Raj Shankar [*]	Managing Director	Member		
6	Mr. E. H. KasturiRangan [§]	Whole Time Director	Member	-	-
7	Mr. S. V. Krishnan [#]	Whole Time Director and Chief Financial Officer	Member		

*Ceased to be a member of the Committee from August 13, 2019

§ Ceased to be a member of the Committee from May 22, 2019

[#]Co-opted as a member of the Committee from August 13, 2019

[&]Co-opted as a member of the Committee from November 5, 2019

Code of Conduct and Ethics

The Company has in place a comprehensive Code of Conduct for the Board of Directors and Senior Management of the Company. The Code has also been posted on the Company's website www.redingtongroup.com/india, Annual Affirmation of compliance with the code has been made by the Directors and Senior Management of the Company. The necessary declaration by the Managing Director of the Company regarding compliance of the Code of Conduct for the Financial Year 2019-20 is given below.

Declaration by the Managing Director regarding Compliance to the Code of Conduct

I hereby confirm that the Company has obtained affirmations from all members of the Board and Senior Management Team that they have complied with the code of business conduct and ethics for Directors and Senior Management in respect of the Financial Year 2019-20.

Date : June 10, 2020

Place : Singapore

Raj Shankar

Managing Director

General Body Meetings

Location and time of last three Annual General Meetings

Year	Location	Date	Day	Time
2018-19	Narada Gana Sabha, Mini Hall, No.314, T.T.K Road, Alwarpet, Chennai - 600 018	July 30, 2019	Tuesday	10.00 A.M
2017-18	Narada Gana Sabha, Mini Hall, No.314, T.T.K Road, Alwarpet, Chennai - 600 018	July 30, 2018	Monday	10.00 A.M
2016-17	Narada Gana Sabha, Mini Hall, No.314, T.T.K Road, Alwarpet, Chennai - 600 018	July 28, 2017	Friday	10.00 A.M

Details of Special Resolutions passed in the last three Annual General Meetings

Year	
2018-19	<ul style="list-style-type: none"> i. Re-appointment of Prof. J. Ramachandran (DIN: 00004593) as Independent Director ii Re-appointment of Mr. V.S. Hariharan (DIN: 05352003) as Independent Director iii Re-appointment of Mr. Keith W F Bradley (DIN: 06564581) as Independent Director
2017-18	<ul style="list-style-type: none"> i. Increasing the borrowing limits of the Company, provided that the total amount so borrowed shall not exceed ₹2000 crores at any time as prescribed under Section 180(1)(c) of the Companies Act, 2013 ii Creation of charge on all or any of the immovable and/or movable and/or intellectual properties of the Company, provided the amount of Loans shall not exceed ₹2000 crores, as prescribed under Section 180(1)(a) of the Companies Act, 2013
2016-17	None

No Extra-ordinary General Meeting was convened, or postal ballot conducted during the financial year

Subsidiary Companies

- i. The Company has two (direct) Wholly Owned unlisted non-material Indian subsidiary companies viz., ProConnect Supply Chain Solutions Limited and Ensure Support Services (India) Limited.
- ii. The Board of Directors of the Company have been regularly apprised of the business and financial performance of the wholly owned subsidiary companies and key decisions, significant transactions and material events, which have bearing on the interest of investments made in the step-down subsidiaries. The minutes of the Board Meetings, wherever applicable/available, are periodically placed before the Board. The Management invites key managers of the subsidiaries to provide updates on their business operations to the Board.

DISCLOSURES

Related Party Transactions

Transactions with related parties are disclosed in note 41 to the standalone financial statements for the year ended March 31, 2020.

The policy of the Company on dealings with the related party transactions is formulated and approved by the Board. The same is available on the website of the Company www.redingtongroup.com/india. Omnibus approval of the Audit Committee is obtained for the related party transactions carried out with the Subsidiaries and Associate. Further, at every quarterly meeting of the Audit Committee, the details of transactions with the related parties during previous quarter are placed before the committee for its review.

There are no transactions entered into by the Company with the related parties during the financial year ended March 31, 2020 which are prejudicial to the interests of the Company at large.

Non-Compliance by the Company, Penalties, Strictures, etc.

The Company has complied with the requirements of Stock Exchange / SEBI / any Statutory Authority on all matters relating to capital markets, wherever applicable. There were no instances of non-compliances of any matter relating to the capital markets, no penalties and strictures were imposed by Stock Exchanges or SEBI or any statutory authority during the last three years in this regard.

Whistle Blower Policy

The Company has designed a whistle blower policy in the form of Vigil Mechanism and the same is disclosed in the Annexure H to the Board's Report.

The Company confirms that no personnel have been denied access to the Audit Committee.

Weblinks

Particulars	Weblinks
Policy on Related Party Transactions	https://redingtongroup.com/wp-content/uploads/2018/12/Policy-on-dealing-with-Related-Party-Transactions.pdf
Policy for determining material subsidiaries	https://redingtongroup.com/wp-content/uploads/2019/04/Policy-on-dealing-with-Material-subsidiaries-final.pdf
Criteria for making payment to Non-Executive Directors	https://redingtongroup.com/india/wp-content/uploads/sites/4/2018/05/PolicyonpaymenttoDirectors.pdf

Declaration that none of the Directors are disqualified

As stipulated by SEBI, a certificate from a Practicing Company Secretary has been obtained, mentioning that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI or Ministry of Corporate Affairs (MCA) or any such statutory authority, and the same is annexed to this report.

Fees for services rendered by Statutory Auditors

The total fees for all services paid by the Company and its Subsidiaries during Financial Year 2019-20, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the statutory Auditors are part of, is detailed below:

Details of services rendered	Fee paid (₹ in crs.)
Audit Fees	0.62
Tax Audit Fees	0.07
Certification Fees	0.04
Other Services	0.73
Reimbursement of Expenses	0.08
Total	1.55

Sexual Harassment of Women at Workplace

The Company has framed a policy on prevention of sexual harassment of women at workplace to ensure free and fair enquiry process on complaints received from women employees on sexual harassment. As stipulated by SEBI, the status of complaints received on sexual harassment is as below

Number of Complaints filed during FY 2019-20	:	Nil
Number of Complaints disposed of during the FY 2019-20	:	Nil
Number of Complaints pending as on end of the FY 2019-20	:	Nil

COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS

The Company has adopted the following discretionary requirements in pursuit of adoption of its best governance practices.

The Board

The Chairman of the Board is a Non-Executive Independent Director. He is a Professor at the Indian Institute of Management, Bangalore and generally, performs his duties from the Institute's quarters at Bangalore. The Company as per its policy allows reimbursement of expenses incurred in performance of his duties. Hence, the Company has not provided a separate office for him.

Shareholder's rights

The Company communicates the highlights of financial performance to the investors regularly through emails, earnings calls, annual investor connect programmes, Investor conferences and road shows. The Company also hosts earnings presentations in its website www.redingtongroup.com/india. The Company has enabled an option on its website to allow the present and prospective investors to subscribe to the e-alerts on all the communications and financial results announced by the Company.

Audit Qualifications

The Company values and follows a high level of transparency and integrity in financial reporting. The Company's financial statements are unqualified.

Separate posts of Chairman and Managing Director

The Company has separate posts of Chairman and Managing Director. The Chairman of the Board is a Non-Executive Independent Director. The Scope and Duties of the Chairman differs from that of the Managing Director.

Reporting by Internal Auditor

The Internal Auditors of the Company, after discussing and obtaining responses to their findings from the Management of the Company, submit their report directly to the Audit Committee.

MEANS OF COMMUNICATION

- The quarterly, half yearly and annual results are published in English and Regional (Tamil) newspapers, namely Business Standard and Makkal Kural.
- The quarterly, half-yearly and annual financial results including official news releases appear on our corporate website www.redingtongroup.com/india under the investors section.
- Management's Discussion and Analysis Report: This information is covered elsewhere in this Annual Report.
- Presentations made to institutional investors or to the analysts are available on our website www.redingtongroup.com/india.
- The Company has designated investors@redington.co.in as an email id for the purpose of registering complaints by investors and has displayed the same on the Company's website.

The Company organizes 'Earnings Call / Analyst Call' post announcement of the quarterly financial results. The transcript of these calls are communicated to Stock Exchanges and uploaded on the website of the Company.

The Company organizes 'Investor Connect' session periodically to enable the shareholders to interact with the Management and clarify their queries on the performance of the Company.

GENERAL SHAREHOLDERS' INFORMATION

A. Annual General Meeting

Date & Day : August 12, 2020, Wednesday

Time : 10.00 A.M

Venue : The Company is conducting the AGM through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) pursuant to MCA circular dated May 5, 2020 and as such there is no requirement to have a venue for AGM. For details, please refer to the Notice calling for AGM, annexed to this Report.

B. Financial Calendar : April 1 to March 31

(Tentative Board Meeting Calendar for the Financial Year 2020-21)

Adoption of results for & considering other items for the I Quarter : August 13, 2020

Adoption of results for & considering other items for the II Quarter : November 12, 2020

Adoption of results for & considering other items for the III Quarter : February 11, 2021

Adoption of results for & considering other items for the IV Quarter : Before May 30, 2021

C. Date of Book Closure : August 6, 2020 to August 12, 2020

D. Dividend Payment Date : Not Applicable

E. Listing on Stock Exchanges

Location	Address	Scrp Code
National Stock Exchange of India Limited	Exchange Plaza, Plot No. C/1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	REDINGTON
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532805

Annual Listing fees for equity shares have been paid to National Stock Exchange of India Limited and BSE Limited. Listing fees for commercial papers will be paid within the due date.

F. Depositories (Stock Code) : INE891D01026

G. Registrar and Share Transfer Agent :

Cameo Corporate Services Limited,
Subramanian Building, No. 1, Club House Road, Chennai - 600 002
Phone No. : +91 44 28460390
Fax No. : +91 44 28460129
E-Mail : investor@cameoindia.com
Website : www.cameoindia.com

H. Share Transfer System

The listing regulation provides that the Board can delegate the authority for transfer / transmission of securities to the Compliance Officer. Hence, the Board has delegated the power to Mr. M. Muthukumarasamy, Compliance Officer, to deal, inter alia, on matters relating to transfer and transmission of shares and split and consolidation of share certificates.

As per Regulation 40(9) and 40(10) of SEBI (LODR) Regulations, 2015, the Company has to obtain and submit to the Stock Exchanges on a Half Yearly basis a Compliance Certificate from a Practising Company Secretary, confirming that the Company has delivered share certificates relating to transfer of shares, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies within the specified period. The Company/Registrar and Transfer Agent of the Company did not receive any request for transfer, consolidation, sub-division, renewal, exchange etc. during FY 2019-20 and hence, the compliance of delivering share certificates within specified period is not applicable. The certificates from the Practising Company Secretary were obtained confirming this and submitted to stock exchanges ensuring the requisite compliance under the aforesaid regulation.

I. Reconciliation of Share Capital Audit

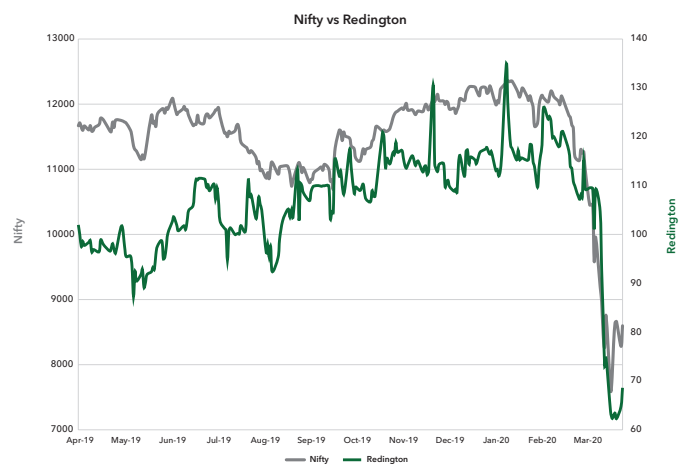
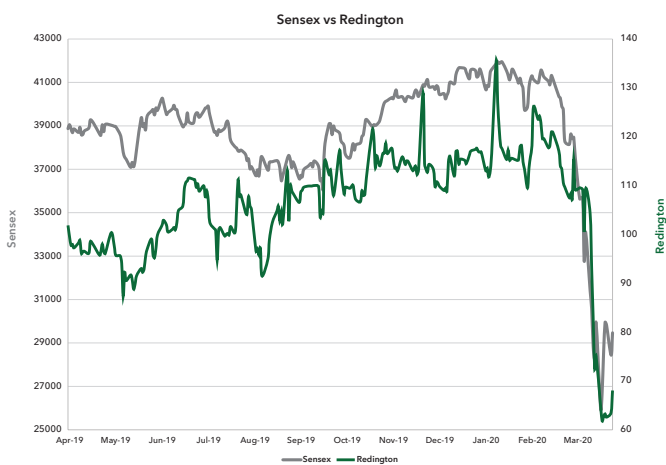
As stipulated by SEBI, a Practising Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical Form with the total issued and listed capital. This audit is carried out every quarter and the report there on are submitted to the Stock Exchanges, BSE Limited and National Stock Exchange of India Limited. The audit confirms that the total listed and paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and in physical form.

J. Market Price Data

High, Low and Closing price during each month of the Financial Year 2019-20

S.No	Month	NSE			BSE		
		High	Low	Close*	High	Low	Close*
1	April 2019	105	94.5	101.75	103.9	94.2	100.35
2	May 2019	103	86.5	100.15	102.9	86.65	99.9
3	June 2019	115.5	99	108.95	115	98.55	108.85
4	July 2019	113.3	92.3	107.7	114.95	92.3	107.75
5	August 2019	115.2	88.5	108.5	115.9	88.85	108.35
6	September 2019	128	100.55	117.45	127.9	94	117.15
7	October 2019	124.95	98.55	118.85	124.85	103.9	118.65
8	November 2019	134.4	110.45	114.35	133.8	110.45	114.35
9	December 2019	119.7	107.05	117.8	119.5	107.6	117.65
10	January 2020	139.55	111.3	114.9	139.85	111.5	114.85
11	February 2020	127.9	107	109.95	127.85	107.05	109.7
12	March 2020	116.85	59.1	68.6	116.6	60	68.05

* Close price as on the last trading day of the month



K. Distribution of shareholding as on March 31, 2020

Shareholding (in ₹)	No. of Shareholders	% of Total Shareholders	Amount of Share Capital	% of Total Share Capital
2-5000	24,786	96.8960	94,75,488	1.2176
5001 - 10000	284	1.1102	20,35,072	0.2615
10001 - 20000	149	0.5824	21,62,300	0.2778
20001 - 30000	67	0.2619	16,52,452	0.2123
30001 - 40000	25	0.0977	8,59,028	0.1103
40001 - 50000	29	0.1133	13,07,380	0.1680
50001 - 100000	68	0.2658	47,72,032	0.6132
100001 & Above	172	0.6724	75,59,11,748	97.1389
Total	25,580[#]	100	77,81,75,500	100

[#]Shareholders having same PAN are clubbed together

L. Statement showing shareholding pattern as on March 31, 2020

Category	No. of holders	No. of Shares	% of Shareholding
Promoter Holding	-	-	-
Total of Promoter Holding	-	-	-
Non Promoter Holding			
Institutions			
Mutual funds / FIs & Banks	14	6,51,05,776	16.73
Foreign Institutional Investors & FPIs	218	16,38,23,984	42.10
Non Institutions			
Bodies Corporate	223	66,92,036	1.72
Indian Public	24,458	1,24,49,046	3.20
NRIs/NRI Directors/Foreign Nationals/Investors	592	14,06,54,574	36.15
Others	75	3,62,334	0.09
Total of Non promoter Holding	25,580	38,90,87,750	100
Grand Total	25,580[#]	38,90,87,750	100

[#] Shareholders having same PAN are clubbed together

M. Dematerialization of Shares and Liquidity

The shares of the Company are compulsorily traded in dematerialized form by all categories of investors. As on March 31, 2020, 75.76% shares of the Company were held in dematerialized form.

N. ECS Mandate

In order to enable the Company to serve the investors in a better way, the Company requests shareholders to update their bank accounts with their respective depository participants.

O. Convertible Instruments

There are no outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

P. Foreign Exchange Risk and Hedging Activities

Since there are significant import purchases, the transactions of the Company are exposed to risks associated with changes in Foreign Currency Exchange rate. The Company takes forward contracts to mitigate such risk.

Q. Locations of Branches

Our Company along with Indian and Overseas subsidiaries has the following distribution offices, warehouses and services centres both in India and Overseas:

Particulars	India	Overseas
Sales Offices	49	36
Warehouses	177	58
Owned Service Centres	51	24
Partner Service Centres	180	22

*Includes branches of subsidiary companies

R. Address for Correspondence

The shareholders may address their communication / suggestions / grievances / queries to the Registrar and Share Transfer Agent at their address mentioned in Para G above or to:

Mr. M. Muthukumarasamy

Company Secretary, Redington (India) Limited

Centre Point, Plot No. 8 & 11 (SP), Thiru-vi-ka Industrial Estate, Guindy, Chennai - 600 032.

Tel No: + 91 44 42243353; Fax No: + 91 44 22253799

Email: investors@redington.co.in

The Company has its own website namely www.redingtongroup.com/india. The website provides detailed information about the Company, its products and services offered, locations of its corporate offices and various sales offices, etc., The quarterly results, annual reports and shareholding patterns are updated on the website of the Company.

S. Credit Rating

During the year,

- CRISIL (An S&P Global Company) has reaffirmed its long-term ratings on the bank facilities of the Company at CRISIL AA/Stable. The short-term rating and commercial paper rating have been reaffirmed at CRISIL A1+ (their highest rating in this category).
- ICRA (A Moody's Investors Service Company) has reaffirmed its long-term ratings on the bank facilities of the Company at [ICRA] AA (Stable). The short-term rating and commercial paper rating have been reaffirmed at [ICRA] A1+ (their highest rating in this category).

Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Raj Shankar, Managing Director and S.V. Krishnan, Chief Financial Officer and Whole Time Director of the Company hereby confirm and certify that

- A. We have reviewed the financial statements / results for the year ended March 31, 2020 and Cash Flow Statement for the year ended on that date and that to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements / figures that might be misleading;
 - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered in to by the Company during the said period which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
 - I. That no significant changes in internal control have occurred over financial reporting during the said period;
 - II. That changes in accounting policies, if any, during the period have been disclosed in the notes to the financial statements / results; and
 - III. That no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date : June 10, 2020

Raj Shankar
 Managing Director
 Place: Singapore

S.V.Krishnan
 Whole Time Director and Chief Financial Officer
 Place: Chennai

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(PURSUANT TO REGULATION 34 (3) AND SCHEDULE V PARA C CLAUSE 10(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015)

To

The Members,
Redington (India) Limited
 SPL Guindy House, 95, Mount Road,
 Chennai - 600032

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Redington (India) Limited (hereinafter referred to as Company) having CIN L52599TN1961PLC028758 and having registered office at SPL Guindy House, 95, Mount Road, Chennai - 600032, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on 31st March 2020, have been debarred or disqualified from being appointed or continuing as Directors of the Company/ Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl.No.	Name of Director	DIN	Date of appointment in company*
1.	Professor J. Ramachandran	00004593	21/11/2006
2.	Mr. Tu, Shu-Chyuan	02336015	24/10/2008
3.	Mr. Udai Dhawan	03048040	10/01/2017
4.	Ms. Chen, Yi-Ju	08031113	26/12/2017
5.	Ms. Anita P Belani	01532511	01/04/2019
6.	Mr. V.S. Hariharan	05352003	02/08/2013
7.	Mr. Keith WF Bradley	06564581	01/04/2013
8.	Mr. B. Ramaratnam	07525213	24/05/2016
9.	Mr. Raj Shankar	00238790	22/09/2005
10.	Mr. S.V Krishnan	07518349	22/05/2019

*the date of appointment is as per the MCA portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
 Date: 10.06.2020

For R Bhuvana & Associates

R Bhuvana

Membership No.: 10575

CP No.:8161

UDIN : A022108B000332858

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Redington (India) Limited

We have examined the compliance of conditions of Corporate Governance by Redington (India) Limited (hereinafter referred "the Company"), for the year ended on March 31, 2020 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

In our opinion and to the best of my information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai

Date: 10.06.2020

For R Bhuvana & Associates

R Bhuvana

Membership No.: 10575

CP No: 8161

BUSINESS RESPONSIBILITY REPORT

Redington recognizes the fact that, it is not merely accountable to its shareholders from a revenue and profitability perspective, but also to the larger society, which is also its stakeholder. This report emphasizes on practices adopted by the Company, in the best interests of its stakeholders, to demonstrate its commitment to being a responsible business, thereby accruing the full benefits of sustainable business strategies.

Redington's Business Responsibility Report 2019-20 follows the National Voluntary Guidelines for Responsible Business Conduct, notified by the Ministry of Corporate Affairs (MCA). This report indicates our responses to the key performance principles defined under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (read with SEBI Circular dated November 4, 2015) covering varied topics such as environmental, social, governance and stakeholder relationships.

A. Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	:	L52599TN1961PLC028758								
Name of the Company	:	Redington (India) Limited								
Registered address	:	SPL Guindy House, 95, Mount Road, Guindy, Chennai - 600 032 Website : www.redingtongroup.com E-Mail ID : investors@redington.co.in								
Financial Year reported	:	2019-20								
Sector(s) that the Company is engaged in (industry-code wise)	:	Whole-sale distribution of Machinery, Equipment and Supplies (Code : 465 of NIC 2008)								
List three key products/services that the Company Manufactures/provides (as in Balance Sheet)	:	Whole sale Distribution of Technology Products								
Total number of locations where business activity of the Company is undertaken	:	25 countries								
a. Number of International Locations (Major 5)	:	Major 5 countries are - UAE, Saudi Arabia, Turkey, Nigeria and Qatar								
b. Number of National Locations	:	<table border="0"> <thead> <tr> <th>Particulars</th> <th>No. of locations</th> </tr> </thead> <tbody> <tr> <td>Sales Offices</td> <td>49</td> </tr> <tr> <td>Service Centres</td> <td>231</td> </tr> <tr> <td>Warehouses</td> <td>177</td> </tr> </tbody> </table>	Particulars	No. of locations	Sales Offices	49	Service Centres	231	Warehouses	177
Particulars	No. of locations									
Sales Offices	49									
Service Centres	231									
Warehouses	177									
Markets served by the Company	:	India, Middle East, Turkey, Africa and South Asia including Singapore								

B. Section B: Financial Details of the Company

1. Paid-up Capital	:	₹77.82 crores
2. Total Turnover	:	₹19,006.41 crores
3. Total Profit after taxes	:	₹489.60 crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	1.08%
5. List of activities in which expenditure as in 4 above has been incurred	:	

Category of CSR Project	Details of CSR Project or activity identified
Education	Employability skills training for the underprivileged, training to differently abled, sponsorship to educational institutions and needy students, remedial classes for the school students, infrastructural support and equipping activities, etc under Projects READ, REACH and EXCELLENCE
Preventive Healthcare	Wellness Program and revival of Health Centres, Early Intervention Program

More details on CSR expenditure can be accessed in the CSR report which is annexed to the Board's Report.

C. Section C: Other Details

1	Does the Company have any Subsidiary Company/Companies?	Yes, the Company has 59 subsidiaries as on March 31, 2020. Out of these, in India, it has two wholly owned subsidiaries - ProConnect Supply Chain Solutions Limited and Ensure Support Services (India) Limited and two step down wholly owned subsidiaries - Rajprotim Supply Chain Solutions Limited and Auroma Logistics Private Limited.
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company (ies).	The Company's two wholly owned subsidiaries - ProConnect Supply Chain Solutions Limited and Ensure Support Services (India) Limited have adopted the applicable BR principles prescribed by SEBI. The foreign subsidiaries have adopted the BR principles to the extent the same are applicable in their respective countries.
3	Do any other entity/entities (eg. suppliers, distributors, etc.,) that the Company does business with, participate in the BR initiatives of the Company? If yes, indicate the percentage of such entity/entities. [Less than 30%, 30-60%, More than 60%]	Yes. Over the years, the Company's suppliers continue to take part in the BR initiatives of the Company. Our business partners also take part in their independent BR initiatives on an ongoing basis. Percentage of participation : Less than 30%

D. Section D: BR Information

1 a)	Details of Director responsible for implementation of BR Policies of the Company	
	DIN	07525213
	Name	Mr. B. Ramaratnam
	Designation	Independent Director
1 b)	Details of BR Head	
	DIN	07518349
	Name	Mr. S.V. Krishnan
	Designation	Whole Time Director and Chief Financial Officer
	Telephone Number	044 - 42243353
	e-mail id	krishnan.sv@redington.co.in

2. Principle-wise (as per National Voluntary Guidelines) BR Policy/Policies

(a) Details of compliance (Reply in Y/N)

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the well-being of all employees
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect, protect and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The spirit and intent of the Company's BR policies conform to the National Voluntary Guidelines for Responsible Business Conduct issued by the Ministry of Corporate Affairs								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	https://redingtongroup.com/india/wp-content/uploads/sites/4/2018/05/BRRpolicies.pdf								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies ¹ ?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

¹ The Company has an e-mail and helpline facility for its external stakeholders to raise ethical issues and grievances. E-Mail : ethics.helpline@redington.co.in ; Helpline : 1800-300-12333

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Mr. B. Ramaratnam, Independent Director has been entrusted with reviewing the BR initiatives taken up by the Company along with the support of Mr. S.V. Krishnan, Whole-Time Director and Chief Financial Officer, and the BR Head of the Company.

The Audit Committee of the Board is responsible for assessing the BR performance of the Company. The assessment is carried out on an annual basis by the Audit Committee.

The Corporate Social Responsibility Committee oversees the strategy and progress of the CSR initiatives undertaken by the Company.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing the report? How frequently it is published?

Our Company publishes a Business Responsibility (BR) Report annually and an Environment, Social and Governance (ESG) Report as part of an initiative for FY 2019-20. The same is being made part of the Annual Report of the Company, and the recent reports can be accessed through - <https://redingtongroup.com/wp-content/uploads/2019/06/RedingtonAR2018-19.pdf>

E. Section E: Principle-wise Performance

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

We focus on long-term value creation without compromising on the integrity, as our actions are governed by our values and principles as envisaged in the Code of Conduct reinforced at all levels of the organization.

The Company's Code of Conduct complies with the stipulated legal requirements and applicable laws and regulations, including provisions for anti-bribery, anti-corruption and professional misconduct.

The policy outlined by the Company on anti-bribery provisions and prohibition of corrupt practices extend to the employees and Directors of subsidiary companies as well. The Company encourages parties associated with its value chain, like vendors, suppliers, contractors, etc., to follow the principles envisaged in the policy.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company had received two complaints as follows:

S.No	Brief Details of the Complaint	Redressal	Status of Complaint
1	Non-receipt of Annual Report for FY 2018-19	The same was sent by mail and speed post to the stakeholder	Closed
2	Instruction from a shareholder to send all documents through speed post	Suitable response was provided to the shareholder	Closed

The Company has different mechanisms for receiving and addressing the complaints from other stakeholders, such as suppliers, customers, employees, etc.,

Stakeholder Complaints			
Stakeholder	No. of complaints received during year	No. of complaints resolved during the year	% of complaints resolved
Investor Complaints	2	2	100%

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List upto 3 products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

The Company is into the distribution of technology products and its subsidiaries offer warehousing, logistics and after sales services. The Company also provides cloud-based services and software offerings, all of which are primarily premised on improving resource efficiency, thereby reducing environmental footprint. Our Company is fully committed to distribute products that comply with the Reduction in the use of Hazardous Substances (ROHS) compliance standards. In case of imported products, we ensure that the products so imported are compliant with the ROHS standards (EN 50581 of EU), as ROHS compliance forms an integral part of our process.

Our Company consciously engages with businesses that do not pose any direct threat to the environment and the society. We take absolute care to ensure that the products distributed has minimal impact on environment or our society by adhering with the applicable regulatory requirements. Even for the waste generated through such import of electrical and electronic equipment and the usage of electronic products, we go the extra mile to dispose the products in a safe and sound manner. The Company channelizes the e-waste so generated to the authorized recyclers for proper disposal, in conformity with the E-Waste Management Rules, 2016.

With its combined years of extensive experience and knowledge, Redington has developed a unique framework that enables seamless and secure cloud migration. The flexible structure not only accelerates cloud migration but also achieves it with minimum risk and maximum scalability through efficient utilization of resources. The cloud services offered by our Company fosters healthy business practices and ensures that the objectives are met with compliance and security thereby mitigating risks and increasing efficiencies. The framework is designed in such a way that the risks/threats are identified at an early stage and the same are addressed in a seamless fashion that boosts productivity, security and enhances optimization of operations.

Solar Industry in India is now seeing an exponential growth and the number of small and medium size solar installers/system integrators are increasing. The Company is leveraging its existing network for providing high quality and technologically advanced solar energy products to the last mile consumers through its widespread network. In its endeavour to grow in the solar industry, the Company has been offering products such as solar panels, inverters, solar pump controller, solar streetlights, etc., which prove to be environment friendly and cost effective in the long run.

Our wholly-owned subsidiary, Ensure Support Services (India) Limited, operates with the objective of Reduce, Re-use and Recycle electronic parts, thereby ensuring safe handling of electronic parts and disposal of worn out electronic products.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Redington, being in the distribution business, does not consume energy, raw material, power to the scale and magnitude of a manufacturing unit. The products and cloud solutions provided by Redington fuel the digital transformation of our country. As a responsible corporate citizen, we track the consumption of resources critically, and ensure that we make optimum utilization of the resources. Some of the initiatives taken by the Company towards this objective -

- Installation of Rain-Water Harvesting System in the Company premises
- Installation of Harmonic filters that reduce distortion and are capacitive at fundamental frequency, so that they can be used for producing reactive power required by converters and for power factor correction
- Installation of CFL lamps, LED lamps and Solar lamp for efficient energy consumption
- Judicious use of printers/cartridges

The Company's wholly-owned subsidiary ProConnect Supply Chain Solutions Limited is into the business of providing warehousing and logistics services. Our Company makes use of the services offered by ProConnect for handling and transportation of goods, as they use plug and play in their operations which ensures minimum lead time and scales up quickly. This has resulted in optimum utilization of resources through planned transportation and load consolidation. ProConnect, the logistics partner for our Company and for other third party clients, through its intricate network of service providers, delivers the products on time, every time. At ProConnect, the following measures have been incorporated in its operations for efficient use of its resources -

- Handheld terminals (HHT), which are digital communicating devices, are used resulting in paperless operation. This reduces the consumption of paper and in turn lessens deforestation.
- Mechanized mobile trolley with Scanner that runs on battery power is used resulting in increased performance and efficiency. It also results in eliminating carbon emission.
- Double deep racking system used at the warehouses has resulted in more pallet position whereby effective space utilization has been achieved.
- Warehouses are designed in such a way that they utilize natural light instead of artificial lighting resulting in conservation of energy.
- Instead of diesel fork lift, battery operated material handling equipment are used which reduces carbon emission, thereby reducing pollution.
- Rain water harvesting systems and water treatment plants have been installed in its warehouses resulting in conservation of water.
- Stock transfers are planned efficiently in line with optimal fleet utilization thereby reducing waiting time, fuel usage and reduction of emissions.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Our Company is into the wholesale distribution of IT and mobility products and is not directly involved in production/manufacturing activities. Since the core activities of the Company are not resource intensive, we contribute to considerable reduction in the usage of natural resources.

The Company has also installed energy efficient equipment in the premises to reduce the carbon footprint.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Since the Company is in the distribution industry, it is not involved in production/manufacturing activities and hence is not required to source any raw materials.

4. Had the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

Local sourcing reduces costs and provides employment benefits, thereby reducing environmental footprint on sourcing. The Company's wholly-owned subsidiary, ProConnect avails services from the persons residing in the vicinity of their site operations, thereby providing employability opportunities in the community where it operates. Further, it procures packing material from local and small producers, thereby enabling growth of such small players in the market. The Company advances its sourcing commitments through analysis of risks and opportunities, assurance and accountability, capacity building and foster equitable growth.

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company uses the services offered by micro and small enterprise service providers. Our Company has a comprehensive supply chain partners engagement model that targets at capacity building. The quality policy of ProConnect charts out the minimum quality standards to be maintained by business partners, which in turn encourages them to strive for better standards.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Our Company has put in place a mechanism for identifying products that have lapsed their 'end of life' period and dispose them through proper channels as 'E-Waste'. Being an importer on record for certain category of IT products, the Central Pollution Control Board (CPCB) has assigned collection targets for collection and disposal of e-waste thus generated basis the products imported and placed in the market.

Accordingly, our Company has achieved the collection target amounting to approx. 35 MT during the year (>10% of estimated e-waste generated). The Company had identified a Producer Responsibility Organization (PRO)-cum-Authorized Recycler for collection and disposal of e-waste.

As a Bulk Consumer of IT and telecom products, Redington engages with the authorized recyclers, on a periodical basis, for proper disposal of IT and telecom products that have reached their 'end of life'.

The Company has designated collection points at 26 locations across India to collect and channelize e-waste in a responsible manner. The Company has taken various initiatives during the year to create awareness on methods for safe handling and disposal of E-Waste. Our Company has recognized the quantum of waste generated through import and distribution of IT products, and hence the Company has been taking conscious steps to handle e-waste in a safe manner. The efforts taken by the Company to channelize and dispose e-waste is at par with global standards.

At the Corporate Office, the Company has made necessary arrangement for bifurcation of plastic and non-plastic waste to demonstrate the responsibility of the Company towards a safer environment.

Principle 3 - Businesses should promote well-being of all employees

1. Please indicate the number of employees

Total number of employees of the Company as on March 31, 2020 is 1561.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Total number of employees hired on temporary/contractual/casual basis as on March 31, 2020 is 127.

3. Please indicate the Number of permanent women employees.

Total number of women employees of the Company as on March 31, 2020 is 370.

4. Please indicate the Number of permanent employees with disabilities

Total number of permanent employees with disabilities as on March 31, 2020 is Nil.

5. Do you have an employee association that is recognized by the management?

The Company respects right to freedom of association and encourages employees to raise issues through readily available internal tools and platforms.

Presently, the Company does not have any employee association. However, the employees are not discouraged from forming associations. The internal tools are readily available for all employees to share their opinion, views and ideas across all managerial levels and across the organization.

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable. Presently, the Company does not have any employee association.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

The Company has always advocated a business environment that favours the concept of equal employment opportunities for all, without any discrimination with respect to caste, creed, gender, race, religion, disability or sexual orientation. It provides a workplace environment that is safe, hygienic, humane and which upholds the dignity of its employees.

Redington is committed to highest standards of openness, probity and accountability. The Company has a robust redressal mechanism in place which allows employees and stakeholders to voice their concern in an effective manner.

Child labour, forced labour and involuntary labour are prohibited in the workplace. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder. The policy ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programs are organized across the organization.

The Company did not receive any complaints relating to child labour, forced labour, involuntary labour or sexual harassment from the employees of the Company during the last financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

The Company's Policy on Prevention of Sexual Harassment at Workplace (POSH) and Whistleblower Policy have been hosted on the Company's intranet. Any concerns raised will be addressed in accordance with the procedures laid down in the policy. An Internal Complaints Committee has been constituted to oversee the effective implementation of the policy and in redressal of grievances raised regarding POSH related issues.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Skills Upgradation Training

Our Company helps every employee build their skills and access the resources that help them equip themselves for the future. The Company and its subsidiaries provide access to skill-based training to help create pathways for our employees in bringing scalable solutions.

In the digital era, our Company provides the best platform for our employees to upgrade their skills through Massive Open Online Courses (MOOC) offered by world renowned universities and institutions like IIM - Bengaluru, Yale University, University of Michigan, Harvard University, etc. The Company bears the learning cost for the employees on successful completion of the course.

In addition to the above, the Company offers Product Certification (Vendor), Skills Workshop, Out Bound Training, Domain Certifications and Public Speaking skills, with the objective of making the employees future ready.

Apart from the above, the Company runs library (in-house) and a mobile library with the works of varied authors across genres for the employees.

During the year, there were times when social distancing had become the norm to fight the COVID-19 situation. As many organizations will now have to re-adjust to the 'Work-from-Home' norm and operate with remote workforce, technology will facilitate operation of many of our day-to-day activities more securely and seamlessly. The Company is in the forefront of distributing technology and imparting solutions for the last 27 years. As technology evolved, your Company has embraced every change and stayed at the lead, much ahead from the competition. Foreseeing a surge, your Company has imparted multi-level technical training to a large group of employees and encouraged technical product certifications. Having adapted to the online mode of learning already, the Company is geared for any future challenges.

During the year, approximately 55% of total permanent employees and 57% of permanent women employees attended the Skills Upgradation Training programmes.

Safety Training

At Redington, we endeavour to provide a conducive working environment. Strong control measures have been put in place to ensure employee health and safety. Awareness is created on various issues and are communicated to employees on a regular basis to ensure their hygiene and safety. We conduct mock Fire accident drills at campuses and provide adequate training to combat such calamities. Each floor has an Emergency Response Team (ERT) and would be easily accessible in case of emergency requirements.

At the warehouses, managed by ProConnect, fire fighting systems, such as sprinklers, smoke & beam detector and yard hydrant are available. Adequate safety drills and training are provided, periodically, to the staff, to combat any unsolicited events at the warehouse.

Initiatives taken by the Company to combat the COVID-19 crisis

We, at Redington, ensure that the Company is prepared to combat a pandemic situation like COVID-19 which resulted in nation-wide lockdowns, affecting our operations in cities pan India. Our Company had disinfected the premises with VIREX II 356, followed by five-layer service, apart from the bi-weekly pest control activity. We also encourage our employees to use face masks and hand sanitizers to protect themselves from the virus affect. The employees were requested to place their attendance through face access, instead of the usual finger biometric.

All the security personnel and maintenance staff were provided with gloves and masks, and the use of same has been mandated in office premises. The Company had procured fifty infrared thermometers, and used in all the locations across India, to ensure temperature check for employees, visitors and support staff.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes.

Following are the stakeholders identified by the Company

- Employees
- Investors / Shareholders
- Vendors
- Customers
- Government
- Local Communities
- Banks

The Company engages with the stakeholders identified on a constant basis through various modes.

Stakeholders	Engagement Mode
Investors	Analyst Meet Periodical reports Meetings / Conferences / Roadshows with existing and potential investors Quarterly Earnings Call Investor Connect Programmes Annual General Meeting
Government / Regulatory Authorities	Reporting / Filings Submissions / Applications Representations in person Attending Workshops conducted by the authorities
Vendors	Vendor Partner Meets Vendor Review Meeting Mailers / Brochures
Customer	Periodical Meets / Reviews Mailers / Brochures Personal Visits / Interviews Satisfaction Surveys

Stakeholders	Engagement Mode
Employees	Town Hall Meeting Mails Events during special occasion Intranet
Local Communities (through Foundation for CSR @ Redington)	Local Community Meetings Mails / Brochures Meeting with Associations / NGOs
Bankers	Periodical Meetings Periodical Reports Attending Workshops/Seminars conducted by AD Bankers

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders.

The Company considers all its stakeholders in its business value chain significant and no one is considered as disadvantaged, vulnerable and marginalized.

As part of the Company's Corporate Social Responsibility initiatives, disadvantaged, vulnerable and marginalized sections of the society are identified as beneficiaries and activities are undertaken to uplift them.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company through its CSR trust, Foundation for CSR @ Redington, undertakes and has rolled out several programmes and projects designed to benefit marginalized sections of the society that reside in our operating geographies such as

- Financially challenged youth/institutions
- Socially challenged individuals
- Physically and mentally challenged (Differently abled people)

The initiatives taken by the Foundation include enhancing employability skills, training and developing entrepreneurship skills etc.,

The Foundation also undertakes livelihood support programmes concentrating on developing entrepreneurship skills to women and the physically and mentally challenged thus helping them to become independent and gain a steady source of income.

Under the "New wings" project launched by District Collector of Tuticorin, the Foundation supported sanitary workers. The foundation in association with "New Wings" provides rehabilitation programs and conducted medical camps for more than 200 sanitary workers. The Foundation has been engaged with them through

1. Health Awareness Programs
2. Medical health check-ups and maintenance of health cards of the workers
3. Material support towards Montessori teacher training and solar panel repairing training to worker's family members.
4. Regular engagement with family members of the workers

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The policy on human rights cover the Company, its subsidiaries, vendors, and channel partners.

The Company remains committed to respect and protect human rights. The Company's code of conduct and the human resource practices cover most of those aspects. The Company is conscious in not discriminating its employees.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any complaints in the area of human rights violation from its stakeholders.

Principle 6 - Businesses should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The policy on environment covers the Company and its subsidiaries.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.,? Yes/No. If yes, please give hyperlink for webpage, etc.

The Company's policy on environment encourages conduct of business with minimal impact on environment. The policies are reflected in the strategic thinking across the organization. Our Company believes that the operations should not adversely affect the environment, the ecological balance and life support functions.

The Company is not involved in manufacturing and does not source any raw material, thereby reducing the environmental footprint. Being a distributor of IT products, E-Waste is the only source from our operations that impact the environment.

The Company has taken cognizance of the environmental impact from the waste thus generated and has put in place mechanism to ensure safe handling and proper disposal of e-waste.

The Company, along with one of its wholly-owned subsidiary has conducted various awareness programmes as part of the Extended Producer Responsibility, thereby educating the public on the need for proper disposal of e-waste, which has now been identified as a threat to the environment. The details of initiatives for proper channelization of e-waste awareness programmes conducted during the financial year can be accessed through the following link <https://redingtongroup.com/wp-content/uploads/2019/04/Redington-E-waste-awareness-program.pdf>.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company has identified potential risks in conjunction with the business functions. The Company has taken cognizance of the potential environment risk identified from the e-waste generated, through distribution of IT products.

The Company has put in place effective system to identify the products as e-waste after their "end-of-life". We take conscious measures to mitigate the potential risks by disposing the waste in an environment-friendly manner.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company has taken various energy efficient initiatives across the organization to reduce emission through installation of energy efficient equipment, increasing the share of renewable energy by installing solar panels, consolidation of operations to increase system efficiency, energy savings and better maintenance quality. The Company takes its best efforts to keep the usage of energy minimal as the Company does not fall under the energy-intensive category.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not Applicable, as the Company does not emit/generate any effluents/pollutants.

7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber of association? If Yes, Name only those major ones that your business deals with:

The Company and its subsidiaries are associated with various industry bodies and associations like Technology Distribution Association of India (TDAI), Madras Chamber of Commerce and Industry, Employee Federation of Southern India (EFSI) and Madras Management Association (MMA).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

As a member of TDAI, our Company has been providing suggestions to overcome the challenges faced by Distribution Industry and has also made representations to Central Board of Direct Taxes and Customs India through TDAI.

Principle 8 - Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof

Yes.

The Company, through Foundation for CSR @ Redington strives a lot in the area of Education, as part of its commitment for growth of students from rural background. Abiding by the objective of ensuring inclusive growth, the Foundation associated with HP WoW (World on Wheels) to amaze rural students. The HP Wow Bus concept was instituted to introduce Digital Literacy, e-Education, Entrepreneurship Training and other citizen services to rural India. The buses are equipped with HP computing and printing equipment, as well as numerous software suites and e-learning tools. The bus aims at empowering citizens, especially rural people, by making available digital resources in their native language to ensure their participation.

2. Are the programmes/ projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The projects are undertaken through "Foundation for CSR @ Redington", a trust constituted by the Company for undertaking CSR projects of the company and its Indian subsidiaries. Proper evaluation of third parties are done before assigning any projects for implementation. Our In-house teams regularly interacts with them and monitors their performance.

3. Have you done any impact assessment of your initiative?

The Company conducts impact assessment of the initiatives. The same would be reviewed by the Corporate Social Responsibility Committee and its recommendations are being implemented.

The assessment of the projects is carried out by determining the number of beneficiaries as a result of implementation of every project.

All programs are monitored and evaluated for progress by dedicated in-house teams on a continuous basis.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The amount contributed towards CSR activities by the Company and its subsidiaries during the Financial Year 2019-20 is as follows:

Redington (India) Limited	₹531.00 lakhs
Ensure Support Services (India) Limited	₹20.50 lakhs
ProConnect Supply Chain Solutions Limited	₹70.34 lakhs
Rajprotim Supply chain solution Limited	₹11.05 lakhs
Auroma Logistics Private Limited	₹10.34 lakhs

The detailed project wise expenditure is given in the Annual Report on CSR activities annexed to the Board's report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Community development programmes of the Company are focused to create economic well-being of people in rural areas by providing better infrastructural facilities, amenities, sustainable management etc. through projects such as Rural Development programme.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

23% of the consumer cases were addressed. The comparative previous year figure was 8%.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

The goods procured locally does not require any product labeling by the Company, whereas the goods imported will contain the label affixed, with requisite information as required under Legal Metrology (Packaged Commodities) Rules, 2011. In respect of products imported by the Company, it ensures appropriate disclosure of the details of the product in the package as mandated by law and in the case of goods procured locally, such requirement is mandated on the respective domestic manufacturer/importer, as the case may be.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No such instances were filed by any stakeholder during the last five years.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

In addition to the regular interaction with the dealers, our company conducts customer satisfaction survey periodically to understand the requirement and expectation of the customers.

We have developed a robust system wherein our Data Analytics team with the survey information provide us the exact client's requirement so that it helps us in making right decision at right time and for right place.

Apart from this, The Company regularly meets its channel partners personally and gathers the pulse of the channel community.

The results of the channel partner survey indicated 83% of satisfied customers for the current year. The Company continues to strive for more satisfied customers.

Ensure Support Services India Limited (ESSIL), a subsidiary of the company, provides diverse post sales services to end customers, consumers and corporates. ESSIL follows "Net Promoter Score (NPS)" to measure the satisfaction levels of its customers. ESSIL has automated the process of taking and measuring customer satisfaction ratings. All the customers are sent satisfaction survey questionnaire by default. Average NPS rating by customers for the FY 2019-20 is 82.6%. Apart from NPS survey, ESSIL conducts face to face review meetings with its corporate clients and their feedback is again captured in an online application. Managers from both sales and delivery keep taking customer feedback at regular intervals.

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STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of Redington (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Redington (India) Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information in which are included the financial statements/financial information ("the Returns") for the year ended on that date audited by the branch auditors of the Company's branch at Singapore.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>Revenue recognition and trade receivables</p> <p>Revenue recognition involves certain key judgments relating to identification of contracts with customers, identification of distinct performance obligations including assessment of the Company acting as a principal or agent in the transaction, determination of transaction price and the basis used to recognise revenue either at a point in time or over a period of time.</p> <p>Revenue is recognised 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.</p> <p>Revenue recognition has been identified as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance metric. This could create an incentive for revenue to be overstated or recognised before control has been transferred.</p> <p>Further, the Company has significant trade receivables at year end. Given the size of the balances and the risk of some of the trade receivables not being recoverable, judgement is required to evaluate the adequacy of allowance recorded to reflect the risk. See note 2(d)(i), 2(d)(vii), 3(i), 3(u) and 40(c) to the standalone financial statements.</p>	<p>In view of the significance of the matter, the following key audit procedures were performed by us:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards. Tested the design, implementation and operating effectiveness of key internal controls relating to revenue recognition. Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents of the sale. Performed testing for samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to assess the accuracy of the period in which revenue was recognized. Selected samples of contractual arrangements, tested the assessment of whether the Company acts as a principal or agent in the transaction and evaluated the recognition of revenue on a gross or net basis.

The key audit matter	How the matter was addressed in our audit
	<p>Evaluated management assessment of the impact on revenue recognition and consequential impact on the expected credit loss allowance and other areas of judgement, including for possible effects, if any from the COVID-19 pandemic.</p>
<p>The key audit matter</p>	<p>How the matter was addressed in our audit</p>
<p>Supplier rebates</p> <p>The Company is entitled to price support from the suppliers in the form of rebates (also referred to as backend income). The Company has varied types of rebate schemes and the quantum of rebates recorded against cost of purchase of traded goods / services are significant in relation to the profits. Accordingly, determination of the Company's entitlement to such rebates, its quantum (involving estimation and judgements) and accuracy of period in which the rebates are recorded were areas of focus for our audit.</p> <p>See note 2(d)(vi) to the standalone financial statements.</p>	<p>In view of the significance of the matter, the following key audit procedures were performed by us:</p> <ul style="list-style-type: none"> • Obtained an understanding of and assessed the design, implementation and operating effectiveness of the Company's key internal controls over supplier rebates. • Selected samples and verified underlying documents such as program/scheme documents, credit notes / payments received to verify the accuracy of the amounts and the period in which the supplier rebates were recorded. • Selected samples of supplier rebates recorded in the subsequent financial period and verified the underlying documents to evaluate the accuracy of the period in which the supplier rebates were recorded.
<p>The key audit matter</p>	<p>How the matter was addressed in our audit</p>
<p>Taxation related matters</p> <p>Determination of tax provision and assessment of contingent liabilities in respect of various direct tax and indirect tax matters involves judgment, interpretation of laws, regulations, judicial pronouncements, etc. Judgment is also required in assessing the range of possible outcomes for some of these matters.</p> <p>The Company makes an assessment to determine the outcome of these matters and decides to make an accrual or consider it to be a possible contingent liability in accordance with applicable accounting standards.</p> <p>Accordingly, tax provisions and contingent liabilities are areas of focus in the audit.</p> <p>See note 2(d)(iii), 3(n), 3(o), 37 and 48 to the standalone financial statements.</p>	<p>In view of the significance of the matter, the following key audit procedures were performed by us:</p> <ul style="list-style-type: none"> • Tested the design, implementation and operating effectiveness of key internal controls relating taxation and contingencies. • Evaluated judgements used in respect of estimates of provisions, exposures and contingencies. • Involved our tax specialists to read and analyse select assessment orders and other correspondences obtained by Company for key tax matters. • Evaluated the Company's judgements in respect of estimates of provisions, exposures and contingencies by involving our tax specialists to assess the status of recent and current tax assessments. • Considered third party advice received by the Company, wherever applicable, the outcome of previous claims, relevant judicial pronouncements and developments in the tax environment. • Evaluated the adequacy of disclosures on provisions and contingencies made in the financial statements.

The key audit matter	How the matter was addressed in our audit
<p>Implementation of new Information Technology (IT) system</p> <p>During the year, the Company migrated to a new IT system from its legacy IT system. The new IT system is used by the Company to record its transactions across processes and is the core IT system for financial reporting.</p> <p>Implementation of a new IT system presents inherent risks including the loss of integrity of key financial data being migrated and the breakdown in operation or monitoring of IT dependent controls within critical business processes, which could lead to financial errors or misstatements and inaccurate financial reporting.</p>	<p>In view of the significance of the matter, the following key audit procedures were performed by us:</p> <ul style="list-style-type: none"> • Engaged our IT specialists to understand the Company's process surrounding implementation of the new IT system. • Our IT specialists tested the General IT control environment of the new IT system, IT access and segregation of duties, as well as IT dependent controls within critical business processes. • In relation to the system migration itself, our IT specialists tested the controls specifically established over the implementation of new IT system and migration of key financial data from the legacy to the new IT system. • Performed independent verification of the data migration and reconciliation between legacy systems and the new IT system for a sample of general ledger and sub-ledgers.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises of reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the standalone financial statements and our auditors' report thereon) which we obtained prior to the date of this Auditor's Report, and the remaining sections of Annual Report, which are expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, 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.

When we read the remaining sections of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

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

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

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the branch of the Company. We are responsible for the direction, supervision and performance of the audit of the standalone financial statements of the Company of which we are the independent auditors. For the branch included in the standalone financial statements, which have been audited by branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the branch auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the standalone financial statements of a foreign branch included in the standalone financial statements of the Company whose financial statements reflect total assets of INR 210.89 crores as at March 31, 2020 and the total revenue of INR 308.96 crores and net cash inflows of INR 41.60 crores for the year ended on that date, as considered in the standalone financial statements. This branch has been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the report of such branch auditors.

The branch's financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and has been audited by branch auditors under the generally accepted auditing standards applicable in its country. The Company's management has converted the financial statements of such branch located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such branch located outside India is based on the report of the branch auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, based on our audit and on consideration of reports of the branch auditors on separate financial statements of the branch as were audited by branch auditors, as noted in the 'Other Matters' paragraph, 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 have been sent to us and have been properly dealt with by us in preparing this report.
 - d) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.

- i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its standalone financial statements - Refer Note 37 and 48 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2020.

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

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

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. - 101248W/W-100022

S Sethuraman

Partner

Membership No. 203491

UDIN: 20203491AAAABM8524

Place: Chennai

Date: June 11, 2020

Annexure A to the Independent Auditors' Report

To the Members of Redington (India) Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets/ property, plant and equipment and investment properties.
- (b) The Company has a physical verification programme whereby certain items of fixed assets/ property, plant and equipment were verified during the year. In our opinion, the frequency of such physical verification programme is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties which are freehold, are held in the name of the Company.
- (ii) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such physical verification is reasonable. Based on the information and explanations given to us, no material discrepancies were noticed during such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments. As explained, the Company has not given any guarantee or security that are outstanding as at March 31, 2020.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act in respect of any of the activities of the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs and any other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise, sales tax, service tax, value added tax and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs and any other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the dues of income tax, sales tax, service tax, duty of customs and value added tax have not been deposited by the Company on account of disputes are as set out in Appendix I. As explained to us, the Company did not have any dues on account of duty of excise.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks or financial institutions. The Company has not taken any loans or borrowings from government and have not issued any debentures.
- (ix) According to the information and explanations given to us, the Company has applied the money raised by way of debt instruments in the nature of commercial papers for the purposes for which those are raised. The Company did not raise any money by way of initial public offer or further public offer or by way of term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.

- (xi) According to the information and explanations given to us and on the basis of our examination of records of the Company, the managerial remuneration for the year ended March 31, 2020 has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act and rules framed thereunder.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (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 the provisions of section 188 and 177 of the Act, where applicable and the details of the such transactions have been disclosed in the standalone Ind AS financial statements as required by the Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable.
- (xv) According on the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. - 101248W/W-100022

S Sethuraman

Partner

Membership No. 203491

UDIN: 20203491AAAABM8524

Place: Chennai

Date: June 11, 2020

Annexure B to the Independent Auditors' report on the standalone financial statements of Redington (India) Limited for the year ended March 31, 2020

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

(Referred to in paragraph 1(A)(g) 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 standalone financial statements of Redington (India) Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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 standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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

S Sethuraman

Partner

Membership No. 203491

UDIN: 20203491AAAABM8524

Place: Chennai

Date: June 11, 2020

Appendix I to the Independent Auditors' Report

To the Members of Redington (India) Limited

Details of statutory dues which have not been deposited on account of any dispute

Nature of dues	Name of the statute	Forum where the dispute is pending	Period to which the amount relates	Disputed amount (in INR crores)	Amounts unpaid (in INR crores) *
Central sales tax	Central Sales Tax Act, 1956	High Court of Calcutta	2002-03	0.09	-
		Special Commissioner -VAT, Delhi	2009-10	0.55	0.55
		Deputy Commissioner, Delhi	2014-15	0.31	0.31
		Joint Commissioner (Appeals), Mumbai	2010-11, 2012-13, 2013-14 and 2014-15	4.41	4.20
		Additional Commissioner (Appeals), Kolkata	2013-14 and 2015-16	0.41	0.37
		Deputy Commissioner (Appeals), Mumbai	2012-13, 2013-14, 2014-15, 2015-16 and 2016-17	5.98	1.70
Sales tax /VAT	West Bengal Value Added Tax Act, 2003	West Bengal Taxation Tribunal, Kolkata	2002-03	0.37	-
		Additional Commissioner (Appeals), Kolkata	2015-16, 2016-17 and 2017-18	0.51	0.46
	Uttar Pradesh VAT Act, 2008	Additional Commissioner (Appeals), Lucknow	2005-06	0.01	0.01
		Joint Commissioner (Appeals), Lucknow	2007-08 and 2015-16	0.03	-
	Delhi Value Added Tax Act, 2004	Special Commissioner-VAT, Delhi	2005-06 and 2009-10	5.91	5.91
		Special Commissioner (OHA), Delhi	2010-11	11.31	11.21
	Kerala Value Added Tax Act, 2003	Deputy Commissioner (Appeals), Ernakulum	2005-06, 2010-11, 2013-14, 2014-15 and 2015-16	2.20	1.80
	Rajasthan Value Added Tax Act, 2003	Tax Board, Jaipur	2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16	0.27	-

Nature of dues	Name of the statute	Forum where the dispute is pending	Period to which the amount relates	Disputed amount (in INR crores)	Amounts unpaid (in INR crores) *
Sales tax /VAT	Rajasthan Value Added Tax Act, 2003	High court, Jaipur	2009-10, 2010-11, 2011-12 and 2012-13	1.61	-
	Jharkhand Value Added Tax Act, 2005	Deputy Commissioner (Appeals), Ranchi	2009-10, 2011-12, 2012-13 and 2014-15	0.38	0.38
	Bihar Value Added Tax Act, 2005	Joint Commissioner (Appeals), Patna	2009-10, 2010-11, 2011-12 and 2012-13	0.65	0.07
	Karnataka Value Added Tax Act, 2003	Sales tax Appellate Tribunal, Bangalore	2009-10, 2010-11, 2011-12, 2012-13 and 2014-15	1.95	1.36
		Joint Commissioner (Appeals), Bangalore	2013-14	0.69	0.48
	Maharashtra Value Added Tax Act, 2002	Deputy Commissioner (Appeals), Mumbai	2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17	10.60	7.03
		Joint Commissioner (Appeals), Mumbai	2012-13, 2013-14 and 2014-15	38.35	36.70
	Orissa Value Added Tax Act, 2004	Joint Commissioner (Appeals), Cuttack	2015-16	0.14	0.13
	Chhattisgarh Value Added Tax Act, 2005	Additional Commissioner, Raipur	2011-12, 2012-13 and 2013-14	0.38	0.19
	Gujarat Value Added Tax Act, 2003	Joint Commissioner (Appeals), Ahmedabad	2014-15	0.99	0.79
Duty of customs	Customs Act, 1962	CESTAT	October 2013 to Jan 2017	23.10	23.10
Service tax	The Finance Act, 1994	Supreme Court	October 2009 to September 2014	12.60	12.60

Nature of dues	Name of the statute	Forum where the dispute is pending	Period to which the amount relates	Disputed amount (in INR crores)	Amounts unpaid (in INR crores) *
Income tax	Income-tax Act, 1961	CIT Appeals	2016-17 and 2017-18	1.55	-
		High court of Madras	2005-06 and 2006-07	0.95	-
	Income-tax Act, 1961	Income-tax Appellate Tribunal	2005-06, 2009-10, 2012-13, 2013-14, 2014-15 and 2015-16	19.46	-
			High court of Madras	2009-10	194.58

* Net of amount paid under protest.

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	28.22	83.84
Capital work-in-progress		-	2.78
Right-of-use asset	5	23.24	-
Investment property	6	51.81	-
Intangible assets	7	36.26	0.97
Intangible assets under development	8	-	30.27
Financial assets			
Investments in subsidiaries & associate	9	644.67	638.45
Other financial assets	10	2.68	2.08
Deferred tax assets (net)	11	18.10	22.87
Income tax assets (net)	12	130.35	101.58
Other non-current assets	13	72.89	84.27
Total non-current assets		1,008.22	967.11
Current assets			
Inventories	14	1,118.38	1,532.97
Financial assets			
Trade receivables	15	2,805.58	2,381.26
Cash and cash equivalents	16	617.33	121.14
Other bank balances	17	0.25	0.15
Loans	18	-	32.00
Other financial assets	19	46.71	30.49
Other current assets	20	117.19	141.10
Total current assets		4,705.44	4,239.11
Total assets		5,713.66	5,206.22
EQUITY AND LIABILITIES			
Equity			
Equity share capital	21	77.82	77.82
Other equity	22	1,723.97	1,526.12
Total equity		1,801.79	1,603.94
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings		-	0.94
Lease liabilities	23	17.14	-
Provisions	24	26.14	17.83
Total non-current liabilities		43.28	18.77

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Current liabilities			
Financial liabilities			
Borrowings	25	1,172.30	829.61
Lease liabilities	23	10.37	-
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		34.24	92.21
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	26	2,268.91	2,294.54
Other financial liabilities	27	140.15	173.07
Other current liabilities	28	197.07	191.80
Provisions	29	2.36	2.28
Current tax liabilities (net)	12	43.19	-
Total current liabilities		3,868.59	3,583.51
Total equity and liabilities		5,713.66	5,206.22

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

for and on behalf of the Board of Directors

S Sethuraman
Partner
Membership No.: 203491
Place : Chennai

Raj Shankar
Managing Director
(DIN-00238790)
Place : Singapore

S V Krishnan
Chief Financial Officer and
Whole-time Director
(DIN-07518349)
Place : Chennai

M Muthukumarasamy
Company Secretary
Place : Chennai

Date : June 11, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue from operations	30	18,632.57	16,851.21
Other income	31	373.84	58.17
Total income		19,006.41	16,909.38
Expenses			
Purchases of traded goods		17,459.16	16,506.04
Changes in inventories of traded goods		414.59	(443.49)
Employee benefits expense	32	144.19	138.79
Finance costs	33	104.81	121.59
Depreciation and amortisation expense	34	26.22	12.30
Other expenses	35	231.64	348.37
Total expenses		18,380.61	16,683.60
Profit before tax		625.80	225.78
Tax expense			
Current tax		130.18	80.20
Deferred tax		6.02	(6.56)
Total tax expense		136.20	73.64
Profit for the year (A)		489.60	152.14
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability		(5.00)	(2.94)
Income tax relating to the above		0.07	1.04
Net other comprehensive income that will not be reclassified to profit or loss		(4.93)	(1.90)

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operation		1.69	0.58
Income tax relating to the above		-	-
Net other comprehensive income that will be reclassified to profit or loss		1.69	0.58
Total other comprehensive income (B)		(3.24)	(1.32)
Total comprehensive income for the year (A+B)		486.36	150.82
Earnings per equity share: (Face value ₹ 2 each)			
Basic (in ₹)		12.58	3.84
Diluted (in ₹)	36	12.58	3.84

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

for and on behalf of the Board of Directors

S Sethuraman
Partner
Membership No.: 203491
Place : Chennai

Raj Shankar
Managing Director
(DIN-00238790)
Place : Singapore

S V Krishnan
Chief Financial Officer and
Whole-time Director
(DIN-07518349)
Place : Chennai

M Muthukumarasamy
Company Secretary
Place : Chennai

Date : June 11, 2020

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
A. Cash flow from operating activities:		
Profit for the year after tax	489.60	152.14
Adjustments for:		
- Income tax expense recognised in profit and loss	136.20	73.64
- Depreciation and amortisation expense	26.22	12.30
- Finance costs	104.81	121.59
- Interest income	(1.26)	(4.34)
- Stock compensation expenses	4.43	8.26
- Allowance for doubtful trade receivables and other financial assets	47.51	37.28
- Dividend from subsidiaries	(350.35)	(18.54)
- Income from short term investments	(2.37)	(1.97)
- Unrealised exchange (gain)/ loss (net)	(3.85)	0.98
- Gain on sale of property, plant and equipment (net)	(0.75)	(3.95)
Operating profit before working capital changes	450.19	377.39
(Increase) in trade receivables	(450.25)	(197.84)
Decrease/(Increase) in inventories	414.59	(443.49)
Decrease/(Increase) in other assets	29.74	(51.71)
(Decrease)/Increase in trade payables	(100.66)	745.19
Increase in provisions	3.39	1.01
Increase in other liabilities	8.45	20.62
Cash generated from operations	355.45	451.17
Income taxes paid (net)	(115.76)	(127.98)
Net cash generated from operating activities	239.69	323.19
B. Cash flow from investing activities:		
Payments for property, plant and equipment	(15.80)	(5.02)
Payments for intangible assets	(16.33)	(31.21)
Proceeds from sale of property, plant and equipment	1.10	5.17
Interest received	1.76	4.55
Dividend received from subsidiaries	350.35	18.54
Income received from short term investments	2.37	1.97
Loans and advances given to subsidiaries and associate	(33.10)	(68.40)
Loans and advances settled by subsidiaries and associate	58.20	71.30
Investments in subsidiaries	-	(25.00)
Net cash generated/(used) from investing activities	348.55	(28.10)

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
C. Cash flow from financing activities:		
Proceeds from short term borrowings (net)	1,187.15	768.76
Repayment of short term borrowings	(863.16)	(692.90)
Proceeds from long term borrowings	-	2.66
Repayment of long term borrowings	(2.42)	(1.06)
Buy-back expenses	-	(2.29)
Buy-back of equity shares	-	(139.00)
Proceeds from allotment of shares, including premium, under ESOP, 2008	0.05	0.24
Dividends paid (including dividend distribution tax)	(295.70)	(111.96)
Payments for lease liabilities	(10.81)	-
Finance costs paid	(102.81)	(120.57)
Net cash used in financing activities	(87.70)	(296.12)
Net increase/(decrease) in cash and cash equivalents	500.54	(1.03)
Cash and cash equivalents at the beginning of the year	116.79	117.82
Cash and cash equivalents at the end of the year	617.33	116.79

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

for and on behalf of the Board of Directors

S Sethuraman
Partner
Membership No.: 203491
Place : Chennai

Raj Shankar
Managing Director
(DIN-00238790)
Place : Singapore

S V Krishnan
Chief Financial Officer and
Whole-time Director
(DIN-07518349)
Place : Chennai

M Muthukumarasamy
Company Secretary
Place : Chennai

Date : June 11, 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Equity share capital	Other Equity						Surplus in the statement of profit and loss	Total equity
		Securities premium	General reserve	Capital redemption Reserve	Stock compensation reserve	Foreign currency translation reserve	Re-measurement of defined benefit liability		
Balance at April 1, 2018	80.03	357.30	90.30	-	4.79	(0.03)	(5.91)	1,162.98	1,689.46
Add: Profit for the year	-	-	-	-	-	-	-	152.14	152.14
Less: Other comprehensive income for the year (net of taxes)	-	-	-	-	-	0.58	(1.90)	-	(1.32)
Total comprehensive income for the year	-	-	-	-	-	0.58	(1.90)	152.14	150.82
Creation of Capital redemption reserve pursuant to buy-back of equity shares	-	-	(2.22)	2.22	-	-	-	-	-
Add: Allotment of shares under Employee Stock Option Plan, 2008	0.01	0.23	-	-	-	-	-	-	0.24
Less: Buy-back of equity shares	(2.22)	(136.78)	-	-	-	-	-	(2.29)	(141.29)
Add: Stock compensation expense	-	-	-	16.67	-	-	-	(96.04)	16.67
Less: Final dividend paid	-	-	-	-	-	-	-	(19.73)	(96.04)
Less: Dividend distribution tax on final dividend	-	-	-	-	-	-	-	-	(19.73)
Add: Dividend distribution tax credit on account of dividend received from subsidiaries	-	-	-	-	-	-	-	3.81	3.81
Balance at March 31, 2019	77.82	220.75	88.08	2.22	21.46	0.55	(7.81)	1,200.87	1,603.94

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Equity share capital	Other Equity				Re-measurement of defined benefit liability	Surplus in the statement of profit and loss	Total equity	
		Securities premium	General reserve	Capital redemption Reserve	Stock compensation reserve				Foreign currency translation reserve
Balance at April 1, 2019	77.82	220.75	88.08	2.22	21.46	0.55	(7.81)	1,200.87	1,603.94
Less: Adjustment on initial application of Ind AS 116 (net of taxes)	-	-	-	-	-	-	-	(3.50)	(3.50)
Adjusted opening balance as at April 1, 2019	77.82	220.75	88.08	2.22	21.46	0.55	(7.81)	1,197.37	1,600.44
Add: Profit for the year	-	-	-	-	-	-	-	489.60	489.60
Less: Other comprehensive income for the year (net of taxes)	-	-	-	-	-	1.69	(4.93)	-	(3.24)
Total comprehensive income for the year	-	-	-	-	-	1.69	(4.93)	489.60	486.36
Add: Allotment of shares under Employee Stock Option Plan, 2008	0.00	0.05	-	-	10.64	-	-	-	10.69
Less: FY 2018-19 Final dividend paid at ₹ 3.30 per share (previous year: ₹ 2.30 per share)	-	-	-	-	-	-	-	(128.40)	(128.40)
Less: First interim dividend paid ₹ 1.50 per share	-	-	-	-	-	-	-	(58.36)	(58.36)
Less: Second interim dividend paid ₹ 2.80 per share	-	-	-	-	-	-	-	(108.94)	(108.94)
Less: Dividend distribution tax on dividends paid	-	-	-	-	-	-	-	(60.78)	(60.78)
Add: Dividend distribution tax credit on account of dividends received from subsidiaries	-	-	-	-	-	-	-	60.78	60.78
Balance at March 31, 2020	77.82	220.80	88.08	2.22	32.10	2.24	(12.74)	1,391.27	1,801.79

See accompanying notes forming part of the standalone financial statements

for and on behalf of the Board of Directors

As per our report of even date attached for **BS R & Co. LLP**

Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

S Sethuraman
Partner

Membership No.: 203491
Place : Chennai

Date : June 11, 2020

Raj Shankar
Managing Director

(DIN-00238790)
Place : Singapore

M Muthukumarasamy
Company Secretary

Place : Chennai

S V Krishnan

Chief Financial Officer and
Whole-time Director

(DIN-07518349)
Place : Chennai

Notes to the standalone financial statements for the year ended March 31, 2020

1. Company overview

Redington (India) Limited ("the Company"), is a public limited Company domiciled in India, incorporated under the provisions of the Companies Act, 1956 and has its registered office at SPL Guindy House, 95, Mount Road, Guindy, Chennai- 600032, Tamil Nadu, India. The Company's equity shares are listed on the bourses of BSE Limited and National Stock Exchange of India Limited. The Company also listed its commercial papers on the bourses of BSE Limited during the financial year. The Company is engaged in the business of distribution of information technology, mobility and other technology products besides supply chain solutions. The Company has an operating branch in Singapore. The Company, its subsidiaries and associate operates in India, Middle East, Turkey, Africa, and South Asian countries.

2. Basis of preparation of standalone financial statements

2. a. Statement of compliance

The standalone 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.

2. b. Functional currency and presentation currency

The standalone financial statements are presented in 'Indian Rupees' (INR), which is the currency of the primary economic environment in which the Company operates (the functional currency). The functional currency of the Company's branch in Singapore is United States Dollar (USD).

All financial information has been rounded-off to the nearest Crores, 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 (including forward contracts)	Fair value
Stock Appreciation Rights (SAR)	Fair value
Defined benefit liability	Present value of defined benefit obligation

2. d. Use of estimates and judgements

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

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. In view of the pandemic relating to COVID-19, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including trade receivables, inventories and other current / non-current assets (net of provisions established) for any possible impact on the standalone financial statements. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment; this situation does not materially impact these standalone financial statements of the Company. The Company will continue to closely monitor any material changes to future economic conditions.

Other estimates and judgments

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 recognised in the periods in which the results are known / materialise. Estimates, judgements and underlying assumptions are reviewed on an ongoing basis.

Notes to the standalone financial statements for the year ended March 31, 2020

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, stock appreciation rights, inventory obsolescence, original equipment manufacturer (“OEM”) supplier programs and impairment of financial assets have been discussed here.

i) Revenue recognition

The Company has assessed its revenue arrangements based on substance of the transaction and business model against specific criteria to determine if it is acting as principal or agent.

ii) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated over the estimated useful life, which is based on technical evaluation made by the Company considering various factors including expected usage of the asset, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and the residual value.

iii) Taxation

Significant judgements are involved in determining the provision for income taxes 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.

iv) Stock appreciation rights

Compensation costs in respect of stock appreciation rights (SAR) granted during the earlier years have been determined using the Black Scholes option valuation model. The said model requires the Company to input certain assumptions / variables to determine the fair value of the SAR granted. The Company has applied appropriate levels of judgements in determining these assumption / variables basis the information available as at the date of grant, the details of which are more fully described in note 46.

v) Inventory obsolescence

Inventories are measured at the lower of cost and the net realizable value (net of price protection rebates). Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product level. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and other issues. Revisions to these adjustments would be required if these factors differ from the estimates.

vi) 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 in the cost of purchase of traded goods or carrying value of inventories. 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 Company 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 purchase of traded goods or carrying value of inventories. Actual rebates may vary based on volume or other sales achievement levels, which may result in an increase or reduction in the estimated amounts previously accrued.

vii) 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.

Notes to the standalone financial statements for the year ended March 31, 2020

2. e. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies, from time to time, new accounting standards or amendments to the existing accounting standards. There have been no such notifications which would have been applicable from April 1, 2020.

2. f. Change in accounting policies

The Company initially applied Ind AS 116 Leases from April 1, 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at April 1, 2019. Accordingly, the comparative information presented for the year ended March 31, 2019 is not restated - i.e. it is presented, as previously reported, under Ind AS 17. The details of the changes in accounting policies are disclosed below.

i) Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under Ind AS 17 Leases. The Company now assesses whether a contract is or contains a lease based on the definition of a lease. On transition to Ind AS 116, the Company elected to apply as a practical expedient to consider the assessment of which transactions are leases. The Company applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17, contracts that were not identified as leases under Ind AS 17 were not reassessed for whether it is a lease under Ind AS 116 as permitted by the standard. Therefore, the definition of a lease under Ind AS 116 was assessed only for contracts entered into or changed on or after April 1, 2019.

ii) As a lessee

As a lessee, the Company leases many assets that are in the nature of buildings and office equipment. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset of the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases - i.e. these leases are on-balance sheet.

Leases classified as operating leases under Ind AS 17

Previously, the Company classified property leases as operating leases under Ind AS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at April 1, 2019. Right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the Company's incremental borrowing rate at the date of initial application.

The Company has evaluated its right-to-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients as permitted by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17. In particular, the Company:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application as permitted by the standard;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application as permitted by the standard;

iii) Impact of transition on the financial statements

On transition to Ind AS 116, the Company recognised right-of-use assets and lease liabilities, recognizing the difference in retained earnings. The impact on transition is summarized below.

Particulars	Amount
Right-of-use assets recognized on April 1, 2019	25.21
Lease liabilities recognized on April 1, 2019	29.88
Corresponding deferred tax impact	(1.17)
Retained earnings impact as at April 1, 2019	3.50

Notes to the standalone financial statements for the year ended March 31, 2020

For the impact of Ind AS 116, on profit or loss for the year, see note 38.

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted-average rate applied is 8.72%.

The difference between the future minimum lease rental commitments towards non-cancellable period of the operating leases reported as at March 31, 2019 compared to the lease liability accounted as at April 1, 2019 is primarily due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases in respect of which the Company has chosen to apply the practical expedient of short-term leases in accordance with the standard.

3. Summary of significant accounting policies

a. Property, plant and equipment

Property, plant and equipment except capital work-in-progress is stated at cost, net of accumulated depreciation and impairment losses, if any. Capital work-in-progress is stated at cost less any recognised impairment loss. Cost comprises of purchase price and other directly attributable cost of bringing the assets to its working condition for the intended use. 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 Company and the cost of the item can be measured reliably. All other costs including repairs and maintenance costs are charged to the statement of profit and loss as and when incurred.

Gains or losses arising from disposal of property, plant and equipment are measured as the difference between the net proceeds from disposal and carrying amount of the asset and are recognised in the statement of profit and loss.

Depreciation on Property, plant and equipment

- i) Depreciable amount of Property, plant and equipment is the cost of an asset less its estimated residual value.
- ii) 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 the statement of profit and loss. Freehold land is not depreciated. The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Management estimate of useful life
Buildings	10 - 20
Plant and machinery	5
Furniture and fixtures	4 - 5
Office equipment	5
Computers	3
Vehicles	5

- iii) Depreciation on additions to assets is provided from the month of addition.
- iv) Individual assets whose cost does not exceed ₹ 5,000/- are fully depreciated in the month of addition.
- v) Expenditure on leasehold improvements in respect of premises taken on lease (included in furniture and fixtures) are capitalized and depreciated over the shorter of the useful life or the lease term.
- vi) The depreciation method, estimated useful life and residual value are reviewed at the end of each financial year.
- vii) Reclassification to investment property:
When the use of the property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

b. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the supply of goods and services or for administrative purposes. Upon

Notes to the standalone financial statements for the year ended March 31, 2020

initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Investment properties are depreciated on straight line basis over 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 the statement of profit and loss. Freehold land is not depreciated. The estimated useful lives of items of investment properties are as follows:

Asset	Management estimate of useful life
Buildings	10 - 20

The depreciation method, estimated useful life and residual value are reviewed at the end of each financial year.

Gains or losses arising from disposal of investment property is measured as the difference between the net proceeds from disposal and carrying amount of the asset and are recognised in the statement of profit and loss.

c. Intangible assets

- i) Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and impairment losses, if any.
- ii) The intangible assets, that are not yet ready for their intended use are carried at cost and are reflected under intangible assets under development. Direct costs associated in developing the intangible assets are capitalized when the following criteria are met, otherwise, it is recognised in profit and loss as incurred.
 - a. it is technically feasible to complete the intangible asset so that it will be available for use,
 - b. management intends to complete the intangible asset and put it to use,
 - c. there is ability to use the intangible asset,
 - d. there is an identifiable asset that will generate expected future economic benefits and
 - e. there is an ability to measure reliably the expenditure attributable to the intangible asset during its development.
- iii) Intangible assets are amortized on straight line basis over the useful life prescribed in Schedule II to the Companies Act, 2013 or technical estimate made by the Company, whichever is lower. Following are the useful lives of intangible assets:

Asset	Management estimate of useful life
Software	3 - 5
Trademark/Brand	5

- iv) The estimated useful life of the intangible assets is reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern, if any.
- v) An intangible asset is de-recognized on disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the statement of profit and loss when the asset is de-recognized.

d. Impairment of property, plant and equipment, investment property and intangible assets

Property, plant and equipment, investment property and intangible 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. The recoverable amount is determined for the asset or the Cash generating unit (CGU) to which the asset belongs in case the assets do not generate independent cash flows.

Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or CGU. For the purpose of impairment testing, the recoverable amount is the higher of the fair value less cost to sell and the value-in-use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of the money and the risks specific to the asset or CGU.

Notes to the standalone financial statements for the year ended March 31, 2020

If such asset or CGU is considered to be impaired, the impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU on a pro rata basis.

In respect of property, plant and equipment, investment property and intangible assets for which impairment loss has been recognised in prior periods, if any, 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.

e. Leases

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

Policy applicable from April 1, 2019

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.

This policy is applied to contracts entered into, or changed, on or after April 1, 2019.

As a lessee

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 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 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 the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a 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 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

Notes to the standalone financial statements for the year ended March 31, 2020

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.

Short-term leases

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

As a lessor

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.

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' or 'Revenue from operations'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116.

Policy applicable before April 1, 2019 in accordance with Ind AS 17

Operating lease

Leases, where the lessor effectively retains substantially all the risks and rewards incidental to ownership of the leased item are classified as operating leases. Payments under operating leases are recognized in the statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor inflationary cost increase.

f. Investments

Investments in subsidiaries and associate are accounted at cost less accumulated impairment loss, if any.

g. Inventories

Inventories are measured at the lower of cost and the net realizable value. Costs includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition, net of discounts and rebates and is determined on weighted average basis. Net realizable value represents the estimated selling price of inventories in the ordinary course of business, less the estimated costs necessary to make the sale.

h. Foreign currency

i) Foreign currency transactions

Transactions 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.

ii) Foreign branch operations

Transactions of branch operations are translated into INR, the functional currency of the Company, at the exchange rate at the date of transactions or at the average rate, if average rate approximates the actual rate at the date of

Notes to the standalone financial statements for the year ended March 31, 2020

transaction. All assets and liabilities are translated into the functional currency at the closing rates and resulting exchange differences are recognized in other comprehensive income and included under Foreign currency translation reserve ("FCTR") as a component of equity.

i. 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 products is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

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 also excludes taxes collected from customers.

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 Company has assessed its revenue arrangements based on substance of the transaction and business model against specific criteria to determine if it is acting as principal or agent.

Rental income from investment property is recognized as part of revenue from operations in the statement of profit and loss on a straight line basis over the term of the lease.

j. Other income

- i) Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.
- ii) Rental income under operating leases is recognized in the statement of profit and loss on a straight line basis over the term of the lease.
- iii) Interest income is recognised using effective interest rate method. Interest income on overdue receivables is recognized only when there is a certainty of receipt.

k. Employee benefits

- i) 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.

- ii) Defined benefit plan

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, the defined benefit obligation of which is determined annually by a qualified actuary using the projected unit credit method as 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. The Company determines the net interest expenses on the net defined benefit obligation, taking into account any changes in the net 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 cost in the statement of profit and loss.

Notes to the standalone financial statements for the year ended March 31, 2020

iii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity 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.

iv) 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. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method as at each balance sheet date.

I. Warranties

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

m. Employee share based payments

Equity-settled share-based payments are measured at fair value on the grant date and are recognised as an employee benefits 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.

Stock appreciation rights issued to the employees of the subsidiaries are included as cost of investment.

n. 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 recognised in the statement of profit and 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.

- 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 recognised 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 recognised 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 recognised 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.

Notes to the standalone financial statements for the year ended March 31, 2020

- iv) 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.
- 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.

o. 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.

Contingent liability is disclosed for all:

- i) possible obligations 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)
- 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.

p. 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 comprises 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.

q. 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.

Notes to the standalone financial statements for the year ended March 31, 2020

r. Dividend to shareholders

Final dividend distributed to Equity shareholders is recognised in the period in which it is approved by the members of the Company in its Annual General Meeting. Interim dividend is recognised when approved by the Board of Directors at the Board Meeting. Both final dividend and interim dividend are recognised in the Statement of Changes in Equity.

s. 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 use derivative financial instruments for speculative purposes.

Forward contracts are initially recognised at fair value on the date the contract is entered into and are subsequently re-measured at fair value at each reporting date. The resulting gain or loss is recognised in the statement of profit and loss.

t. 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.

u. 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.

Notes to the standalone financial statements for the year ended March 31, 2020

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 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 losses are recognised 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 recognised 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 recognised in profit and loss. Any gain or loss on de-recognition is also recognised in statement of 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.

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.

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

Notes to the standalone financial statements for the year ended March 31, 2020

Financial liabilities

The Company de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire. 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 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 recognises 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 recognised 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.

v. Non-current assets held for sale

Non-Current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than continuing use and are measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held-for-sale these assets are no longer depreciated.

w. 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 capitalized as part of the cost of that asset. Other borrowing costs are recognised as expenses in the period in which they are incurred.

Notes to the standalone financial statements for the year ended March 31, 2020

4. Property, plant and equipment

Description	Gross carrying value			Accumulated depreciation			Net carrying value			
	As at Apr 01, 2019	Additions	Transfer to IP*	Deletions	As at Mar 31, 2020	For the year	Transfer to IP*	Deletions	As at Mar 31, 2020	As at Apr 01, 2019
Land (Freehold)										
Current year	17.84	-	13.39	-	4.45	-	-	-	4.45	17.84
Previous year	17.84	-	-	-	17.84	-	-	-	17.84	17.84
Buildings										
Current year	57.73	-	51.28	-	6.45	2.01	11.73	-	2.29	45.72
Previous year	57.87	-	-	0.14	57.73	3.19	-	0.11	12.01	48.94
Plant and machinery										
Current year	8.05	0.16	-	0.14	8.07	0.89	-	0.07	5.53	3.34
Previous year	6.68	1.50	-	0.13	8.05	1.41	-	0.09	4.71	3.29
Furniture and fixtures										
Current year	12.89	0.13	-	-	13.02	1.29	-	-	10.28	3.90
Previous year	12.52	0.55	-	0.18	12.89	1.54	-	0.11	8.99	4.96
Office equipment										
Current year	9.35	0.41	-	0.02	9.74	1.43	-	0.02	6.18	4.58
Previous year	9.56	0.38	-	0.59	9.35	1.72	-	0.54	4.77	5.97
Computers										
Current year	11.49	5.09	-	0.26	16.32	2.91	-	0.23	10.63	3.54
Previous year	10.47	1.65	-	0.63	11.49	2.38	-	0.51	7.95	4.39
Vehicles										
Current year	8.62	2.21	-	1.06	9.77	1.81	-	0.82	4.69	4.92
Previous year	8.65	2.07	-	2.10	8.62	1.67	-	1.20	3.70	5.42
Property, plant and equipment total										
Current year	125.97	8.00	64.67	1.48	67.82	10.34	11.73	1.14	39.60	83.84
Previous year	123.59	6.15	-	3.77	125.97	11.91	-	2.56	42.13	90.81

* During the year, certain land and buildings were reclassified from property, plant and equipment to investment property (IP) as the properties were no longer used by the Company and have been fully leased out to its subsidiary company, ProConnect Supply Chain Solutions Limited.

Notes to the standalone financial statements for the year ended March 31, 2020

5. Right-of-use assets

₹ in Crores

The Company leases assets in the nature of buildings and office equipment. The leases typically run for a period of 1 to 10 years.

The summary of the movement of right-of-use assets for the year is given below:

Particulars	Buildings	Office equipment	Total
Balance at April 1, 2019 on transition to Ind AS 116	22.57	2.64	25.21
Depreciation charge for the year	(7.52)	(0.44)	(7.96)
Additions to right-of-use assets	5.97	0.02	5.99
Balance at March 31, 2020	21.02	2.22	23.24

6. Investment property

a. Reconciliation of carrying amount

₹ in Crores

Description	Gross carrying value				Accumulated depreciation				Net carrying value			Fair value disclosure
	As at Apr 01, 2019	Additions	Transfer from PPE	Deletions	As at Mar 31, 2020	As at Apr 01, 2019	For the year	Deletions	As at Mar 31, 2020	As at Mar 31, 2020	As at Apr 01, 2019	As at Mar 31, 2020
Land (Freehold)												
Current year	-	-	13.39	-	13.39	-	-	-	-	13.39	-	25.30
Previous year	-	-	-	-	-	-	-	-	-	-	-	-
Buildings												
Current year	-	-	39.55	-	39.55	-	1.13	-	1.13	38.42	-	43.90
Previous year	-	-	-	-	-	-	-	-	-	-	-	-
Investment property total												
Current year	-	-	52.94	-	52.94	-	1.13	-	1.13	51.81	-	69.20
Previous year	-	-	-	-	-	-	-	-	-	-	-	-

b. Disclosure of fair values

The fair value of the investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. The valuation techniques of sales comparable method and depreciated replacement cost method were used to arrive at the market value of the properties.

Notes to the standalone financial statements for the year ended March 31, 2020

7. Intangible assets

₹ in Crores

Description	Gross carrying value				Accumulated amortisation				Net carrying value	
	As at Apr 01, 2019	Additions	Deletions	As at Mar 31, 2020	As at Apr 01, 2019	For the year	Deletions	As at Mar 31, 2020	As at Mar 31, 2020	As at Apr 01, 2019
Software										
Current year	2.24	41.29	0.19	43.34	1.27	6.79	0.18	7.88	35.46	0.97
Previous year	1.82	0.42	-	2.24	0.88	0.39	-	1.27	0.97	0.94
Trademark/Brand										
Current year	-	0.80	-	0.80	-	-	-	-	0.80	-
Previous year	-	-	-	-	-	-	-	-	-	-
Intangible assets total										
Current year	2.24	42.09	0.19	44.14	1.27	6.79	0.18	7.88	36.26	0.97
Previous year	1.82	0.42	-	2.24	0.88	0.39	-	1.27	0.97	0.94

8. Intangible assets under development in FY 2018-19 represents the cost incurred towards the implementation of a new ERP system (SAP), including the cost of license. These costs have been capitalised as intangible assets in FY 2019-20 on implementation of the new ERP system (SAP).

9. Investment in subsidiaries and associate

Unquoted investments

Investment in Indian subsidiaries

₹ in Crores

Name of the entity	March 31, 2020	March 31, 2019
9,081,465 (previous year: 9,081,465) equity shares of ₹ 10/- each fully paid-up in ProConnect Supply Chain Solutions Limited	44.55	44.55
4,500,000 (previous year: 4,500,000) equity shares of ₹ 10/- each fully paid-up in Ensure Support Services (India) Limited	4.50	4.50
Total	49.05	49.05

Investment in overseas subsidiaries

₹ in Crores

Name of the entity	March 31, 2020	March 31, 2019
27,668,025 (previous year: 27,668,025) equity shares of US\$ 1 each fully paid-up in Redington International Mauritius Limited	560.94	560.94
3,800,000 (previous year: 3,800,000) equity shares of US\$ 1 each fully paid-up in Redington Distribution Pte. Limited	17.63	17.63
Total	578.57	578.57

Investment in associate

₹ in Crores

Name of the entity	March 31, 2020	March 31, 2019
100,000 (previous year: 100,000) equity shares of ₹ 10/- each fully paid-up in Redington (India) Investments Limited	0.10	0.10

Stock Appreciation Rights (SAR)

The Company has included fair value of the Stock Appreciation Rights (Stock compensation expense) as Investments, in respect of the Stock Appreciation Rights granted to the Directors and employees of Indian and overseas subsidiaries, as required under Ind AS 102 "Share-based payment".

Notes to the standalone financial statements for the year ended March 31, 2020

Stock Appreciation Right (SAR) related stock compensation expense of subsidiaries borne by the Company classified as investment cost are as follows:

Name of the entity	₹ in Crores	
	March 31, 2020	March 31, 2019
ProConnect Supply Chain Solutions Limited	4.94	3.30
Ensure Support Services (India) Limited	0.39	0.26
Redington International Mauritius Limited	10.95	6.73
Redington Distribution Pte. Ltd.	0.67	0.44
Total	16.95	10.73
Total investments	644.67	638.45
Aggregate value of unquoted investments	644.67	638.45

10. Other financial assets

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Unsecured, considered good		
Deposits	2.68	2.08

11. Deferred tax assets (net)

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Recognised deferred tax assets (net)		
Deferred Tax Assets / (Deferred Tax Liabilities):		
Allowance for doubtful trade receivables and other financial assets	10.67	14.44
Provision for gratuity	5.28	6.22
Right-of-use assets	(5.85)	-
Lease liabilities	6.92	-
Provision for compensated absences	1.89	1.84
Depreciation	(0.31)	0.37
Others	(0.50)	-
Total	18.10	22.87

Movement in temporary differences

(i) For the year ended March 31, 2020

Particulars	₹ in Crores				
	Balance as on April 01, 2019	Recognized in equity	Recognized in the statement of profit and loss	Recognized in the other comprehensive income	Balance as on March 31, 2020
Deferred Tax Assets (net)					
Allowance for doubtful trade receivables and other financial assets	14.44	-	(3.77)	-	10.67
Provision for gratuity	6.22	-	(1.01)	0.07	5.28
Right-of-use assets	-	(6.35)	0.50	-	(5.85)
Lease liabilities	-	7.52	(0.60)	-	6.92
Provision for compensated absences	1.84	-	0.05	-	1.89
Depreciation	0.37	-	(0.68)	-	(0.31)
Others	-	-	(0.50)	-	(0.50)
Total	22.87	1.17	(6.01)	0.07	18.10

Notes to the standalone financial statements for the year ended March 31, 2020

(ii) For the year ended March 31, 2019

₹ in Crores

Particulars	Balance as on April 01, 2018	Recognized in the statement of profit and loss	Recognized in the other comprehensive income	Balance as on March 31, 2019
Deferred Tax Assets (net)				
Allowance for doubtful trade receivables	8.47	5.97	-	14.44
Provision for gratuity	4.20	0.98	1.04	6.22
Provision for compensated absences	1.46	0.38	-	1.84
Depreciation	1.14	(0.77)	-	0.37
Total	15.27	6.56	1.04	22.87

Unrecognised deferred tax assets

Consequent to the sale of the Company's investment in its wholly owned subsidiary Easyaccess Financial Services Limited in FY 2013-14 and a land at Delhi in FY 2017-18, there was a Long Term Capital loss, under Income Tax Act, 1961, which resulted in deferred tax asset of ₹ 15.39 Crores. Out of this ₹ 2.49 Crores was recognized against realized long term capital gain in an earlier year. The balance deferred tax asset of ₹ 12.90 Crores will be recognized as and when there is a long term capital gain. These unrecognized deferred tax assets will expire over a period of 2- 6 years.

12. Income taxes

The Company elected to exercise the option of reduced income-tax rates permitted under section 115BBA of the Income tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, provision for income taxes and deferred tax assets are re-measured, basis the rate prescribed in the said section and the full impact of this change is recognised in the statement of profit or loss.

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Income tax assets (net of provisions)	130.35	101.58
Current tax liabilities	43.19	-

Movement in income tax assets

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Balance at the beginning of the year	101.58	53.80
Add: Taxes paid (net of refunds)	28.77	127.98
Less: Provision during the year	-	80.20
Balance at the end of the year	130.35	101.58

Movement in current tax liabilities

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Balance at the beginning of the year	-	-
Add: Provision during the year	130.18	-
Less: Taxes paid (net of refunds)	86.99	-
Balance at the end of the year	43.19	-

Notes to the standalone financial statements for the year ended March 31, 2020

Tax expense recognised during the year

₹ in Crores

Particulars	2019-20		2018-19	
	Recognised in the statement of profit and loss	Recognised in the other comprehensive income	Recognised in the statement of profit and loss	Recognised in the other comprehensive income
Current tax	130.18	-	80.20	-
Deferred tax	6.02	(0.07)	(6.56)	(1.04)
Total tax expenses	136.20	(0.07)	73.64	(1.04)

Reconciliation of effective tax rate

₹ in Crores

Particulars	2019-20	2018-19	2019-20	2018-19
	Effective tax rate		Tax expense	
Profit before tax			625.80	225.78
Income tax expense	25.17%	34.94%	157.50	78.90
Effect of dividend income charged at a special rate	(4.22%)	-	(26.42)	-
Effect of exempted income	(0.13%)	(0.88%)	(0.81)	(1.99)
Effect of tax incentives	(0.69%)	(1.99%)	(4.34)	(4.49)
Effect of non-deductible expense and deductible claims	0.57%	0.99%	3.60	2.22
Effect of Chapter VIA deduction of Income-tax Act, 1961	(0.12%)	(0.44%)	(0.73)	(1.00)
Effect of change in tax rates	0.68%	-	4.24	-
Effect of other items	0.50%	-	3.16	-
Income tax expense recognized in statement of profit and loss	21.76%	32.62%	136.20	73.64

13. Other non-current assets

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Unsecured, considered good		
Capital advances	-	0.16
Receivable from Government authorities	72.89	84.11
Total	72.89	84.27

14. Inventories

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Trading stocks (net)	1,025.21	1,430.98
Goods in transit	93.17	101.99
Total	1,118.38	1,532.97

Also refer note 25(a).

Notes to the standalone financial statements for the year ended March 31, 2020

15. Trade receivables

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Unsecured		
Considered good	2,805.58	2,381.26
Considered doubtful / Credit impaired	32.88	41.33
	2,838.46	2,422.59
Less :- Allowance for doubtful trade receivables	32.88	41.33
Total	2,805.58	2,381.26

Also refer note 25(a).

16. Cash and cash equivalents

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Cash on hand	0.13	0.06
Balance in current account	617.20	121.08
Cash and cash equivalents as per Balance Sheet	617.33	121.14
Less: Bank overdrafts used for cash management purposes	-	4.35
Cash and cash equivalents as per the statement of cash flows	617.33	116.79

17. Other bank balances

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
(i) In deposit account	0.05	0.05
(ii) In earmarked accounts		
Unclaimed dividend account	0.20	0.10
Total	0.25	0.15

18. Loans - current

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Unsecured, considered good		
Loans to related parties		
Currents Technology Retail (India) Limited	6.90	32.00
Less: Loans written off	(6.90)	-
Total	-	32.00

The above loans were given for working capital purposes.

Notes to the standalone financial statements for the year ended March 31, 2020

Particulars of maximum amount of loans and advances outstanding at any time during the year to Subsidiaries and Associate (disclosed pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

₹ in Crores

Particulars	2019-20	2018-19
ProConnect Supply Chain Solutions Limited	-	5.00
Currents Technology Retail (India) Limited	32.00	39.80

19. Other financial assets - current

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Unsecured, considered good		
Deposits	3.63	4.42
Other assets	53.03	26.07
Less: Provision for doubtful receivables	(9.95)	-
Total	46.71	30.49

20. Other current assets

Particulars	March 31, 2020	March 31, 2019
Unsecured, considered good		
Receivable from Government authorities	78.50	120.75
Prepaid expenses	5.65	9.83
Others	33.04	10.52
Total	117.19	141.10

21. Equity share capital

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Authorised capital		
425,000,000 (previous year: 425,000,000) equity shares of ₹ 2/- each	85.00	85.00
Issued, subscribed and fully paid up		
389,087,750 (previous year: 389,081,315) equity shares of ₹ 2/- each fully paid up	77.82	77.82

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

Particulars	2019-20		2018-19	
	No of shares	₹ in Crores	No of shares	₹ in Crores
At the beginning of the year	389,081,315	77.82	400,172,685	80.03
Allotment of shares under Employee Stock Option Plan, 2008	6,435	^	28,630	0.01
Shares extinguished on Buy-back (refer note: 47)	-	-	(11,120,000)	(2.22)
Outstanding at the end of the year	389,087,750	77.82	389,081,315	77.82

^ Represents value less than ₹ 1 lakh

Notes to the standalone financial statements for the year ended March 31, 2020

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.

Equity Share movement during 5 years preceding March 31, 2020

11,120,000 equity shares of ₹ 2 each were extinguished on buy-back by the Company pursuant to a Letter of Offer made to all eligible shareholders of the Company at ₹ 125 per equity share. The equity shares bought back were extinguished on December 7, 2018.

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

Particulars	March 31, 2020		March 31, 2019	
	No of shares held	% of Share holding	No of shares held	% of Share holding
Synnex Mauritius Limited	94,295,940	24.24	94,295,940	24.24
Marina IV (Singapore) Pte. Ltd.	39,425,695	10.13	39,425,695	10.13
HDFC Trustee Company Limited	35,990,019	9.26	35,135,559	9.03
ICICI Prudential Life Insurance Company Limited*	-	-	21,577,719	5.55
Franklin Templeton Investment Funds*	-	-	20,045,105	5.15

*Shareholding was less than 5% as at March 31, 2020.

Shares reserved for issue under Employee Stock Option Plan, 2008 and Stock Appreciation Right Scheme, 2017:

Particulars	March 31, 2020		March 31, 2019	
	No of shares held	% of Share holding	No of shares held	% of Share holding
a. Employee Stock Option Plan, 2008	-	-	19,095	0.01
b. Stock Appreciation Right Scheme, 2017	8,681,681	1.74	8,681,681	1.74

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 the debt and equity balance.

The capital structure of the Company consists of debt and equity. The Company, over the years, has maintained parity between net debt and equity. The ratio of net debt to equity at the end of the year is as follows:

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Debt (refer note 25) - Current	1,172.30	829.61
Debt - Non Current	-	0.94
Less: Cash and Cash Equivalents and Other Bank balance (refer note 16 and 17)	617.58	121.29
Net Debt (a)	554.72	709.26
Total Equity (Refer note 21 and 22) (b)	1,801.79	1,603.94
Net debt equity ratio (a/b)	0.31	0.44

Notes to the standalone financial statements for the year ended March 31, 2020

22. Other equity

i. Securities premium:

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Opening balance	220.75	357.30
Add: Premium on allotment of shares under Employee Stock Option Plan, 2008 issued during the year	0.05	0.23
Less: Premium on buyback of equity shares during the year (refer note 47)	-	(136.78)
Balance at the end of the year	220.80	220.75

Securities premium is used to record the premium received on issue of shares.

ii. General reserve:

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Opening balance	88.08	90.30
Less: Transfer to capital redemption reserve	-	(2.22)
Balance at the end of the year	88.08	88.08

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

iii. Capital Redemption Reserve:

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Opening balance	2.22	-
Add: Transfer from general reserve	-	2.22
Balance at the end of the year	2.22	2.22

Capital redemption reserve is created to the extent of the nominal value of the share capital extinguished on buyback of Company's purchases of its own shares in accordance with Section 69 of the Companies Act, 2013. The reserve is utilized in accordance with provision of Companies Act, 2013.

iv. Re-measurement of defined benefit liability:

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Opening balance	(7.81)	(5.91)
Add: Movement during the year (net)	(4.93)	(1.90)
Balance at the end of the year	(12.74)	(7.81)

Retirement benefit obligation reserve represents accumulated balances of actuarial gains/(losses), arising out of employee defined benefit obligation and will not to be subsequently reclassified to Profit and Loss. This reserve is not a distributable reserve.

v. Foreign currency translation reserve:

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Opening balance	0.55	(0.03)
Add: Movement during the year (net)	1.69	0.58
Balance at the end of the year	2.24	0.55

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from its functional currency to the presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Notes to the standalone financial statements for the year ended March 31, 2020

vi. Stock compensation reserve:

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Opening balance	21.46	4.79
Add: Stock compensation expenses	10.64	16.67
Balance at the end of the year	32.10	21.46

The above reserve relates to SARs granted by the Company to the employees and Directors of the Company and its subsidiaries, under the Redington Stock Appreciation Right Scheme, 2017. Further information about SAR scheme is set out in note 46.

vii. Surplus in the statement of profit and loss:

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Opening balance	1,200.87	1,162.98
Less: Adjustment on initial application of Ind AS 116 (net of taxes)	(3.50)	-
Adjusted opening balance	1,197.37	1,162.98
Add: Profit for the year	489.60	152.14
Less: Expenses relating to buy-back of equity shares	-	(2.29)
Less: FY 2018-19 Final dividend paid at ₹ 3.30 per share (previous year: ₹ 2.30 per share)	(128.40)	(96.04)
Less: First interim dividend paid at ₹ 1.50 per share	(58.36)	-
Less: Second interim dividend paid at ₹ 2.80 per share	(108.94)	-
Less: Dividend distribution tax on dividends paid	(60.78)	(19.73)
Add: Dividend distribution tax credit on account of dividends received from subsidiaries	60.78	3.81
Balance at the end of the year	1,391.27	1,200.87

The above reserve represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. This reserve can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013.

Total other equity	1,723.97	1,526.12
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23. Lease liabilities

On transition to Ind AS 116, the company recognized lease liabilities measured at the present value of remaining lease payments.

₹ in Crores

Particulars	March 31, 2020
Current	10.37
Non-current	17.14
Total	27.51

24. Provisions - non-current

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Compensated absences	6.48	4.00
Gratuity	19.66	13.83
Total	26.14	17.83

Notes to the standalone financial statements for the year ended March 31, 2020

Gratuity (included as part of employee benefits expense in note 32)

The Company 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 Company. The Company's obligation towards Gratuity is a defined benefit plan and the details of actuarial valuation as at the year-end are given below:

Reconciliation of present value of defined benefit obligation ₹ in Crores

Particulars	2019-20	2018-19
Defined benefit obligation at the beginning of the year	14.84	12.02
Current service cost	1.98	0.95
Interest cost	0.89	0.84
Actuarial loss/(gain) recognised in other comprehensive income	5.00	2.94
Benefits paid	(1.73)	(1.91)
Defined benefit obligation at the end of the year	20.98	14.84
Non-current obligation at the end of the year	19.66	13.83
Current obligation at the end of the year	1.32	1.01

Expenses recognised in Statement of profit and loss and other comprehensive Income ₹ in Crores

Particulars	2019-20	2018-19
Cost of the defined plan for the year:		
Current service cost	1.98	0.95
Interest on obligation	0.88	0.83
Net cost recognized in the statement of profit and loss	2.86	1.78
Net actuarial loss recognized in other comprehensive income	5.00	2.94

Principal actuarial assumptions for gratuity ₹ in Crores

Particulars	2019-20	2018-19
Discount rate	6.31%	7.51%
Salary escalation rate	7.00%	6.00%
Attrition rate	14.00%	12.00%
Demographic assumptions - Mortality	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate

Sensitivity analysis

The Company applies 1% as the sensitivity rate while ascertaining the impact of change in one of the actuarial assumptions, keeping other assumptions constant, on the defined benefit obligation. Following is the effect on defined benefit obligation:

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Increase of 1% in assumptions	Increase/ (Decrease)	Increase/ (Decrease)
Discount rate	(1.80)	(1.23)
Salary escalation rate	2.01	1.39
Attrition rate	(0.18)	0.05
Decrease of 1% in assumptions	Increase/ (Decrease)	Increase/ (Decrease)
Discount rate	2.08	1.41
Salary escalation rate	(1.77)	(1.23)
Attrition rate	0.20	(0.07)

Notes to the standalone financial statements for the year ended March 31, 2020

25. Short-term borrowings

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Secured loans from banks (refer note a)	673.95	428.07
Unsecured loans from:		
Banks	100.00	-
Others	4.07	5.63
Unsecured commercial paper (refer note b)	394.28	395.91
Total	1,172.30	829.61

- a. Secured by pari-passu charge on inventories and trade receivables, both present and future. The loan is repayable on demand.
- b. The facility is unsecured and the maximum amount outstanding at any time during the year was ₹ 1,534.73 Crores (previous year: ₹ 1,900.00 Crores). The Company's commercial papers were listed on the bourses of BSE Ltd during the financial year. The funds raised from the commercial paper were utilised for working capital purposes.

Details of Loans availed & repaid during the year 2019-20:

₹ in Crores

Particulars	Loan from Bank	Loan from Others	Commercial Paper	Total
Balance at the beginning of the year				
- Included under current borrowings (refer note 25)	428.07	5.63	395.91	829.61
- Included under non-current borrowings	-	0.94	-	0.94
- Included under other financial liabilities (refer note 27)	3.85	-	-	3.85
Details of borrowings with a maturity of over 90 days				
Loans availed during the year	663.72	6.41	98.56	768.69
Repayments made during the year	(856.66)	(8.92)	-	(865.58)
Details of other borrowings				
Loans availed during the year	2,543.11	10.67	6,723.67	9,277.45
Repayments made during the year	(2,024.46)	(10.67)	(6,823.86)	(8,858.99)
Net loans availed during the year	518.65	-	(100.19)	418.46
Movement in bank overdrafts (net) (refer note 16)	(4.35)	-	-	(4.35)
Finance cost	30.13	4.09	68.18	102.40
Interest paid	(30.54)	(4.09)	(68.18)	(102.81)
Effects of changes in foreign exchange rates	24.53	-	-	24.53
Balance at the end of the year				
- Included under current borrowings (refer note 25)	773.95	4.07	394.28	1,172.30
- Included under non-current borrowings	-	-	-	-
- Included under other financial liabilities (refer note 27)	3.44	-	-	3.44

Notes to the standalone financial statements for the year ended March 31, 2020

Details of Loans availed & repaid during the year 2018-19:

₹ in Crores

Particulars	Loan from Bank	Loan from Others	Commercial Paper	Total
Balance at the beginning of the year				
- Included under borrowings	758.67	7.60	-	766.27
- Included under other financial liabilities	3.93		-	3.93
Details of borrowings with a maturity of over 90 days				
Loans availed during the year	654.80	3.80	-	658.60
Repayments made during the year	(689.14)	(4.82)	-	(693.96)
Details of other borrowings				
Loans availed during the year	2,542.25	3.03	8,137.33	10,682.61
Repayments made during the year	(2,825.33)	(3.04)	(7,741.42)	(10,569.79)
Net loans availed during the year	(283.08)	(0.01)	395.91	112.82
Movement in bank overdrafts (net)	(2.23)	-	-	(2.23)
Finance cost	37.69	0.32	83.58	121.59
Interest paid	(36.67)	(0.32)	(83.58)	(120.57)
Effects of changes in foreign exchange rates	(12.05)	-	-	(12.05)
Balance at the end of the year				
- Included under current borrowings (refer note 25)	428.07	5.63	395.91	829.61
- Included under non-current borrowings	-	0.94	-	0.94
- Included under other financial liabilities (refer note 27)	3.85	-	-	3.85

26. Trade payables

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
(a) Total outstanding dues of micro enterprises and small enterprises	34.24	92.21
Total (a)	34.24	92.21
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
i. Trade payables towards related parties	10.85	9.60
ii. Trade payables	2,203.24	2,252.73
iii. Other payables towards related parties	0.92	-
iv. Other payables	53.90	32.21
Total (b)	2,268.91	2,294.54
Total (a+b)	2,303.15	2,386.75

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 in accordance with the Notification No: GSR 719 (E) dated November 16, 2007 issued by the Ministry of Corporate Affairs. There are no overdue undisputed outstanding amounts (including interest) payable to these enterprises.

Notes to the standalone financial statements for the year ended March 31, 2020

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Amount due to vendor		
- Principal	34.24	92.21
- Interest	-	-
Interest paid beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment	-	-
Amount of interest accrued and remaining unpaid at the end of the year	-	-

27. Other financial liabilities

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Interest accrued but not due on borrowings	3.44	3.85
Unclaimed dividend *	0.20	0.10
Supplier credit arrangements	27.54	45.32
Other liabilities	108.97	123.80
Total	140.15	173.07

* No amount is due and outstanding to be credited to Investor Education and Protection Fund.

28. Other current liabilities

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Statutory liabilities	74.50	79.56
Advances received from customers	50.77	22.66
Other liabilities	71.80	89.58
Total	197.07	191.80

29. Provisions - current

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Compensated absences	1.04	1.27
Gratuity	1.32	1.01
Total	2.36	2.28

30. Revenue from operations

₹ in Crores

Particulars	2019-20	2018-19
Sale of products	18,321.52	16,639.30
Sale of services	304.40	205.68
Other operating revenue	6.65	6.23
Total	18,632.57	16,851.21

Notes to the standalone financial statements for the year ended March 31, 2020

31. Other income

₹ in Crores

Particulars	2019-20	2018-19
Interest income under the effective interest rate method on:		
Bank deposits	0.31	1.84
Loans	0.95	2.50
Others:		
Dividend from subsidiaries	350.35	18.54
Interest from dealers	10.97	21.97
Income from short term investments	2.37	1.97
Bad debts written off in earlier years recovered	0.94	1.69
Gain on sale of property, plant and equipment and assets held for sale (net)	0.75	3.95
Rental income	2.99	3.52
Other non-operating income	4.21	2.19
Total	373.84	58.17

32. Employee benefits expense

₹ in Crores

Particulars	2019-20	2018-19
Salaries and bonus	126.10	117.95
Contribution to provident and other funds	6.29	6.61
Staff welfare expenses	5.39	5.02
Stock compensation expenses	4.43	8.26
Gratuity	1.98	0.95
Total	144.19	138.79

33. Finance costs

₹ in Crores

Particulars	2019-20	2018-19
Interest cost on financial liabilities measured at amortised cost	98.32	117.99
Interest on lease liabilities	2.41	-
Other borrowing costs	4.08	3.60
Total	104.81	121.59

34. Depreciation and amortisation expense

₹ in Crores

Particulars	2019-20	2018-19
Depreciation of property, plant and equipment (refer note 4)	10.34	11.91
Depreciation of right-of-use assets (refer note 5)	7.96	-
Depreciation of investment property (refer note 6)	1.13	-
Amortisation of intangible assets (refer note 7)	6.79	0.39
Total	26.22	12.30

Notes to the standalone financial statements for the year ended March 31, 2020

35. Other expenses

₹ in Crores

Particulars	2019-20	2018-19
Rent (refer note 38)	0.81	11.47
Warehouse product / handling charges	59.21	69.47
Freight	4.95	2.73
Repairs and maintenance	15.39	11.60
Insurance	22.66	17.92
Rates and taxes	0.38	0.68
Communication	3.06	4.84
Travel	7.41	10.63
Conveyance	3.71	3.52
Bad debts on trade receivables and other financial assets *	17.26	-
Allowance for doubtful trade receivables and other financial assets	30.25	37.28
Auditors' remuneration (refer details below)	1.16	0.55
Exchange loss (net)	5.15	10.46
Factoring charges	0.35	8.74
Non-executive/ Independent Directors remuneration	1.39	1.37
Outsourced resource cost	3.25	3.91
Bank charges	13.49	21.04
Sales promotion expenses	18.22	113.60
Corporate social responsibility expenditure (refer note 43)	5.31	5.75
Miscellaneous expenses	18.23	12.81
Total	231.64	348.37

* The amount of bad debts written off against allowance for doubtful trade receivables and other financial assets are as below:

₹ in Crores

Particulars	2019-20	2018-19
Bad debts written off	46.40	20.30
Less: Bad debts written off against provision	(29.14)	(20.30)
Net bad debts on trade receivables and other financial assets	17.26	-

Auditor's Remuneration

₹ in Crores

Particulars	2019-20	2018-19
As auditor		
Audit fees	0.32	0.29
Tax audit	0.02	0.02
Remuneration to branch auditors (refer note (a) below)	0.07	0.09
In other capacities		
Certification fees	0.04	0.04
Others	0.66	0.10
Re-imbursment of expenses	0.05	0.01
Total remuneration	1.16	0.55

Note (a): Includes fees paid / payable to a firm other than B S R & Co. LLP

Notes to the standalone financial statements for the year ended March 31, 2020

36. Earnings per equity share

Particulars	2019-20	2018-19
Profit after tax (₹ in Crores)	489.60	152.14
Weighted average number of equity shares (Basic)	389,083,161	396,707,747
Earnings per share- Basic ₹	12.58	3.84
Weighted average number of equity shares (Diluted)	389,083,161	396,712,117
Earnings per share-diluted ₹	12.58	3.84
Face Value per share in ₹	2/-	2/-
Weighted average number of equity shares (Basic)	389,083,161	396,707,747
Add: Effect of employee stock option (dilutive)	-	4,370
Less: Effect of stock appreciation rights (anti-dilutive)	-	-
Weighted average number of equity shares (diluted) #	389,083,161	396,712,117

The effect of ESOP is dilutive whereas the effect of SAR is anti-dilutive.

37. Contingencies and commitments

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
i. Guarantees relating to channel financing	-	0.35
ii. Claims against the Company not acknowledged as debts	6.47	6.36
iii. Disputed Income Tax/Sales Tax demands		
Income Tax	21.96	17.94
Sales Tax	84.55	69.25

iv. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 0.61 Crores (previous year: ₹ 1.88 Crores).

38. Lease expenses

The details of expenses are summarized below:

2019-20	₹ in Crores
Interest on lease liabilities (Included as part of finance cost)	2.41
Depreciation of right-of-use assets (Included as part of depreciation and amortization expenses)	7.96
Expenses relating to short-term leases (Included as part of other expenses)	0.81
2018-19	
Operating lease expenses recognised under erstwhile Ind AS 17	11.47

Amounts recognised in statement of cash flows

₹ in Crores

Particulars	Amount
Total cash outflow for leases	(10.81)

Leases as a lessor

Operating leases

The Company leases out certain assets and has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Rental income recognised by the Company during year ended March 31, 2020 was ₹ 4.80 crores (March 31, 2019: ₹ 3.52 crores). The rental income pertaining

Notes to the standalone financial statements for the year ended March 31, 2020

to Investment Property amounting to ₹ 1.81 crore is disclosed as part of other operating revenue under Revenue from operations (Refer note 30) and other rental income amounting to ₹ 2.99 crore is disclosed as rental income under Other income (Refer note 31). The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

Particulars	Amount
₹ in Crores	
March 31, 2020 - Operating leases under Ind AS 116	
Less than one year	0.47
One to five years	0.46
More than five years	-
Total	0.93
₹ in Crores	
March 31, 2019 - Operating leases under Ind AS 17	
Less than one year	0.47
One to five years	0.93
More than five years	-
Total	1.40

39. Financial instruments

Accounting classifications and fair values

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

March 31, 2020		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 15	2,805.58	-	2,805.58
Cash and cash equivalents	Note 16	617.33	-	617.33
Other bank balances	Note 17	0.25	-	0.25
Loans	Note 18	-	-	-
Other financial assets	Note 10 and 19	21.20	-	21.20
Financial assets measured at fair value				
Deposits	Note 10 and 19	6.31	-	6.31
Forward contract	Note 19	-	21.88	21.88
Total		3,450.67	21.88	3,472.55
Financial liabilities not measured at fair value				
Borrowings				
(a) Current	Note 25	1,172.30	-	1,172.30
(b) Non-current		-	-	-
Lease liabilities	Note 23	27.51	-	27.51
Trade payables	Note 26	2,303.15	-	2,303.15
Other financial liabilities	Note 27	139.25	-	139.25
Financial liabilities measured at fair value				
Forward contract	Note 27	-	0.90	0.90
Total		3,642.21	0.90	3,643.11

The Investments in subsidiaries and associate (refer note 9), is accounted at cost less impairment.

Notes to the standalone financial statements for the year ended March 31, 2020

March 31, 2019	Note reference	Carrying amount		
		Other financial assets-amortised cost	FVTPL - others	Total carrying amount
Financial assets not measured at fair value				
Trade receivables	Note 15	2,381.26	-	2,381.26
Cash and cash equivalents	Note 16	121.14	-	121.14
Other bank balances	Note 17	0.15	-	0.15
Loans	Note 18	32.00	-	32.00
Other financial assets	Note 10 and 19	26.07	-	26.07
Financial assets measured at fair value				
Deposits	Note 10 and 19	6.50	-	6.50
Forward contract	Note 19	-	-	-
Total		2,567.12	-	2,567.12
Financial liabilities not measured at fair value				
Borrowings				
(a) Current	Note 25	829.61	-	829.61
(b) Non-current		0.94	-	0.94
Trade payables	Note 26	2,386.75	-	2,386.75
Other financial liabilities	Note 27	138.09	-	138.09
Financial liabilities measured at fair value				
Forward contract	Note 27	-	34.98	34.98
Total		3,355.39	34.98	3,390.37

The Investments in subsidiaries and associate (refer note 9), is accounted at cost less impairment.

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.

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Financial assets measured at fair value		
Deposits (Level 2)	6.31	6.50
Forward contract (Level 2)	21.88	-
Financial liabilities measured at fair value		
Forward contract (Level 2)	(0.90)	(34.98)

The Company enters into foreign exchange forward contracts with banks. These foreign exchange forward contracts are valued using various inputs including the foreign exchange spot and expected forward rates.

40. Financial risk management

The Company's activities expose it to a variety of financial risks such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk of the Company is credit and foreign exchange risk.

Notes to the standalone financial statements for the year ended March 31, 2020

The Company's senior management oversees the management of these risks. The Company's 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.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency risk.

a. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates is primary on account of payment in foreign exchange for purchase of goods.

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.

Details of derivative exposures are as under:

Particulars	March 31, 2020		March 31, 2019	
	\$/€ in Crores	₹ in Crores	\$/€ in Crores	₹ in Crores
<u>Borrowings:</u>				
Foreign currency exposure	3.37	254.74	6.19	427.76
Less: Hedged through forward exchange contracts	3.37	254.74	6.13	423.72
Unhedged exposure	-	-	0.06	4.04
<u>Trade Payables:</u>				
Foreign currency exposure	6.51	493.19	13.38	926.10
Less: Hedged through forward exchange contracts	6.18	467.96	13.14	909.22
Unhedged exposure	0.33	25.23	0.24	16.88
<u>Receivables - Other financial assets:</u>				
Foreign currency exposure - unhedged	0.03	2.53	1.56	107.87

The un-hedged balances as at March 31, 2020 are primarily on account of purchase of goods where the Company is in the process of hedging and the balance in vendor account which to a larger extent have natural hedge.

Sensitivity analysis

Sensitivity analysis is carried out for un-hedged foreign exchange risk as at March 31, 2020. For every 1% strengthening of Indian Rupees against all relevant uncovered foreign currency transactions profit before tax would be impacted by gain of ₹ 0.23 Crores (previous year loss of ₹ 0.87 Crores). Similarly, for every 1% weakening of Indian Rupee against these transactions, there would be an equal and opposite impact on the profit before tax.

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company borrows funds to meet its short-term requirements which are at fixed interest rates. Hence, the Company is not exposed to any significant interest rate risk.

Notes to the standalone financial statements for the year ended March 31, 2020

c. Credit risk

Credit risk is a risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, arises principally from the Company's receivables from customers, loans and other financial assets.

The Company mitigates credit risk by strict receivable management, procedures and policies. The Company has a dedicated independent team to review credit and monitor collection of receivables on a pan India basis. Credit insurance is resorted to most of the receivable and in such cases the credit risk is restricted to 15 % of the receivable value.

Ageing of trade receivables

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Less than 90 days	2,767.84	2,262.89
91-180 days	19.05	58.56
More than 180 days	51.57	101.14
Less: Loss allowance	(32.88)	(41.33)
Total	2,805.58	2,381.26

Movement in the allowance for doubtful receivables

₹ in Crores

Particulars	2019-20	2018-19
Balance at the beginning of the year	41.33	24.25
Allowance recognized during the year	30.67	37.28
Less: Written-off during the year	(39.50)	(20.30)
Currency translation adjustment	0.38	0.10
Balance at the end of the year	32.88	41.33

The concentration of credit risk is limited due to the customer base being large and unrelated. Further, the Company constantly evaluates the quality of trade receivable and provides allowance towards doubtful debts.

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. The Company closely monitors its customers and assesses conditions such as change in payment terms, inability of the customer to pay etc. depending on severity of each case. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2020 is considered adequate.

d. 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 unavailed borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial liabilities.

Notes to the standalone financial statements for the year ended March 31, 2020

Particulars of financial liabilities	March 31, 2020		March 31, 2019	
	Carrying amount	Cash outflow	Carrying amount	Cash outflow
Non-derivative financial liabilities				
> 1 year				
Long-term borrowings	-	-	0.94	0.99
Lease liabilities	17.14	20.51	-	-
< 1 year				
Short-term borrowings	1,172.30	1,189.11	829.61	837.11
Trade payables	2,303.15	2,303.15	2,386.75	2,386.75
Lease liabilities	10.37	11.33	-	-
Other financial liabilities	139.25	139.25	138.09	138.09
Derivative financial liabilities				
Forward contracts	0.90	0.90	34.98	34.98

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

a. Key Management Personnel (KMP)

Mr. Raj Shankar, Managing Director

Mr. S V Krishnan, Chief Financial Officer & Whole Time Director (Appointed as Whole Time Director w.e.f. 22nd May 2019)

Mr. Kasturi Rangan (Resigned as Whole Time Director w.e.f. 22nd May 2019)

Refer note 42 for details of remuneration paid to KMP

b. Names of the related parties

Parties having Significant Influence on the Company	Synnex Mauritius Limited, Mauritius*
	Synnex Australia Pty Limited, Australia*
Subsidiary Companies	Redington International Mauritius Limited, Mauritius*
	Redington Gulf FZE (RGF), Dubai, UAE
	Cadensworth FZE, Dubai, UAE
	Redington Gulf & Co. LLC, Oman
	Redington Nigeria Limited, Nigeria [§]
	Redington Egypt Ltd, Egypt
	Redington Kenya Limited, Kenya
	Redington Middle East LLC, Dubai, UAE
	Redington Qatar WLL, Qatar
	Ensure Services Arabia LLC, Kingdom of Saudi Arabia
	Redington Africa Distribution FZE, Dubai, UAE [§]
	Ensure Services Bahrain S.P.C., Kingdom of Bahrain
	Redington Distribution Pte. Ltd, Singapore*
	Redington Bangladesh Limited, Bangladesh
	Redington Qatar Distribution WLL, Qatar
	Redington Kenya (EPZ) Limited, Kenya
	Redington Limited, Ghana
	Redington Uganda Limited, Uganda
	Redington Gulf FZE Co, Iraq
	Cadensworth United Arab Emirates (LLC), Dubai, UAE
	Redington Morocco Ltd., Morocco
	Redington Tanzania Limited, Tanzania
	Redington SL Private Limited., Sri Lanka

Notes to the standalone financial statements for the year ended March 31, 2020

	Redington Turkey Holdings S.A.R.L (RTHS) , Grand Duchy of Luxembourg
	Arena Bilgisayar Sanayi Ve Ticaret A.S., Turkey
	Arena International FZE, Dubai, UAE
	Ensure IT services (Pty) Ltd., South Africa
	ProConnect Supply Chain Solutions Limited, India*
	Ensure Gulf FZE, Dubai, UAE
	Ensure Technical Services (PTY) Ltd., South Africa
	Ensure Middle East Trading LLC, Dubai, UAE
	Ensure Technical Services Kenya Limited, Kenya
	Ensure Technical Services Tanzania Limited, Tanzania
	Ensure Services Uganda Limited, Uganda
	Ensure Solutions Nigeria Limited, Nigeria
	Redington Rwanda Ltd., Rwanda
	Redington Kazakhstan LLP, Kazakhstan
	Sensonet Teknoloji Elektronik ve Bilisim Hizmetleri Sanayi Ve Ticaret A.S., Turkey#
	ProConnect Supply Chain Logistics LLC, Dubai, UAE
	Ensure Ghana Limited, Ghana
	Ensure Support Services (India) Limited, India*
	Ensure Technical Services Morocco Limited (Sarl), Morocco
	Redington Senegal Limited S.A.R.L, Senegal
	Redington Saudi Arabia Distribution Company, Saudi Arabia
	PayNet Ödeme Hizmetleri A.S., Turkey
	CDW International Trading FZCO, Dubai, UAE
	RNDC Alliance West Africa Limited, Nigeria
	Linkplus Bilgisayar Sistemleri Sanayi ve Ticaret A.S., Turkey
	Redserv Business Solutions Private Limited, India
	ProConnect Saudi LLC, Saudi Arabia
	Redington Distribution Company, Egypt
	Ensure Middle East Technology Solutions LLC, UAE
	Rajprotim Supply Chain Solutions Limited, India
	Citrus Consulting Services FZ LLC, Dubai, UAE
	Arena Mobile İletisim Hizmetleri Ve Tüketici Elektronik Sanayi Ve Ticaret A.S., Turkey
	Online Elektronik Ticaret Hizmetleri A.S., Turkey
	Paynet (Kıbrıs) Ödeme Hizmetleri Limited, Cyprus
	Ensure Services Limited, Egypt
	Redington Cote d'Ivoire SARL, Cote d'Ivoire
	Auroma Logistics Private Limited, India w.e.f. March 6, 2019*
	Africa Joint Technical Services, Libya^
	Redington Angola Ltd., Angola^
Associate	Redington (India) Investments Limited, India
Subsidiary of associate	Currents Technology Retail (India) Limited, India*

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

Sensonet Teknoloji Elektronik Ve Bilisim Hizmetleri Sanayi Ve Ticaret Limited A.S. is merged with Arena Bilgisayar Sanayi Ve Ticaret A.S., Turkey during the year.

^ Operations ceased during the earlier years and is in the process of liquidation.

\$ Represents Companies that were liquidated during the year.

Notes to the standalone financial statements for the year ended March 31, 2020

c. Nature of Transactions

₹ in Crores

Nature of Transactions	2019-20	2018-19
	Parties having Significant Influence	Parties having Significant Influence
Synnex Mauritius Limited		
Dividend paid	71.66	22.63
Synnex Australia Pty Limited		
Service Charges - Income	0.32	0.14
Amount receivable at the year end	-	0.08
Nature of Transactions	2019-20	2018-19
	Subsidiary Companies	Subsidiary Companies
Redington International Mauritius Limited		
Stock compensation expense treated as investments	4.22	5.30
Dividend income	329.88	-
Redington Distribution Pte Limited		
Dividend income	17.24	12.84
Service charges - expenses	0.40	0.40
Stock compensation expense treated as investments	0.23	0.34
Amount payable at the year end	0.19	0.09
ProConnect Supply Chain Solutions Limited		
Sales / Service income	0.28	0.22
Interest on loan	-	0.04
Rental income	4.33	3.18
Warehouse / Product handling charges - expense	56.48	65.39
Stock compensation expense treated as investments	1.64	2.61
Dividend income	-	4.35
Loan disbursed	-	5.00
Loan settled	-	5.00
Amount receivable at the year end	1.52	0.49
Amount payable at the year-end (net)	10.47	9.34
Equity contribution made during the year	-	25.00
Ensure Support Services (India) Limited		
Sales / Service income	0.24	0.36
Rental income	0.46	0.46
Dividend income	3.23	1.35
Warehouse / Product handling charges - expense	2.72	4.08
Purchases of fixed assets	-	0.08

Notes to the standalone financial statements for the year ended March 31, 2020

Nature of Transactions	2019-20	2018-19
	Subsidiary Companies	Subsidiary Companies
Service charges - expense	0.28	1.42
Stock compensation expense treated as investments	0.13	0.14
Amount payable at the year end	0.26	0.02
Amount receivable at the year end	0.30	0.17

Auroma Logistics Private Limited		
Warehouse / Product handling charges - expense	0.03	-
Amount payable at the year end	0.03	-

Nature of Transactions	2019-20	2018-19
	Subsidiary of associate	Subsidiary of associate
Currents Technology Retail (India) Limited		
Sales of products	19.74	21.95
Interest on loan	0.77	2.33
Purchase of intangible assets	9.91	-
Service charges - expense	0.86	-
Loan disbursed	33.10	63.40
Loan settled	58.20	66.30
Write off of loans	6.90	-
Write off of trade receivable	10.36	-
Loan outstanding at the year end	-	32.00
Amount payable at the year end	0.82	-
Amount receivable at the year end	0.05	14.15
Advances received against supplies	0.35	-

Nature of Transactions	2019-20	2018-19
	Key Management Personnel	Key Management Personnel
Dividends paid	0.49	0.15

42. Key Managerial Remuneration

₹ in Crores

Nature of Transactions	2019-20	2018-19
Salaries and bonus	0.96	0.90
Contribution to Provident Fund	0.04	0.03
Stock compensation expense (SAR)	0.24	0.35
Incentives	0.21	-
Total remuneration	1.45	1.28

- a) Provision for gratuity and compensated absences are based on an actuarial valuation performed on an overall Company basis and hence excluded above.

Notes to the standalone financial statements for the year ended March 31, 2020

43. Corporate social responsibility

For the year 2019-20, the Company was required to spend ₹ 5.31 Crores (previous year: ₹ 5.75 Crores) on "Corporate Social Responsibility (CSR)" against which the Company has spent ₹ 5.31 Crores (previous year: ₹ 5.75 Crores), being the contribution made by the Company to a Trust formed for the purposes of carrying out CSR activities.

44. Segment Reporting

Since the Company prepares consolidated financial statements, segment information has been disclosed in the consolidated financial statements as per Ind AS-108 "Operating Segment".

45. Employee Stock Option Plan 2008 (ESOP 2008)

The Company followed intrinsic value method as per previous GAAP for accounting of employee stock options and had availed the exemption under Ind AS 101 "First time adoption of Indian Accounting Standards" at the time of transition to Ind AS from retrospective application of accounting requirements prescribed under Ind AS 102 "Share-based payment" for outstanding options as on the transition date. Accordingly, no compensation costs had been recognized in these accounts as the options have been granted at the prevailing market prices at the time of each grant.

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V
Date of Grant	February 29, 2008	July 25, 2008	January 28, 2009	May 22, 2009	December 05, 2011
Exercise Price (₹)*	348.05	319.90	130.00	165.00	396.50
Vesting commences on	February 28, 2009	July 24, 2009	January 27, 2010	May 21, 2010	December 04, 2012
Options granted	23,35,973	11,000	2,76,143	25,000	1,73,212
Options lapsed	5,87,670	4,750	-	-	53,104
Options vested	17,48,303	6,250	2,76,143	25,000	1,20,108
Options exercised at the beginning of the year	17,48,303	6,250	2,76,143	25,000	1,18,821
Options exercised during the year	-	-	-	-	1,287
Total options outstanding and not exercised as on March 31, 2020	-	-	-	-	-

* Out of the total options granted in 2008, 19,59,830 options were re-priced at ₹ 130/- on January 28, 2009 and 75,000 options were re-priced at ₹ 165/- on May 22, 2009

Out of the lapsed options the Board/Committee of directors at their meetings had approved reissue of options as follows:

Date of Grant	July 25, 2008	January 28, 2009	May 22, 2009	December 05, 2011
No. of options	11,000	2,76,143	25,000	1,73,212

The exercise period of all options granted including those reissued had expired and validity of Redington Employee Stock Option Plan, 2008 ended on 31st March 2020. The Board of Directors had also approved to extinguish the options and dissolve the plan.

The fair value of options based on the valuation of the independent valuer as of the respective dates of grant were as follows:

Grant Date	Fair Value
February 29, 2008	171.33
Re-priced on January 28, 2009	25.56
Re-priced on May 22, 2009	33.04
July 25, 2008	159.71

Notes to the standalone financial statements for the year ended March 31, 2020

Grant Date	Fair Value
Re-priced on January 28, 2009	23.77
January 28, 2009	47.46
May 22, 2009	79.82
December 05, 2011	171.72

The variables / assumption used for calculating the fair value of Grant V using the Black Scholes model and their rationale were as follows:

a. Stock price

The closing market price of the Company's share on the date prior to the date of grant as quoted on the National Stock Exchange (NSE) has been considered for the purpose of option valuation.

b. Volatility

Volatility is a measure of the amount by which the stock price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

In determining volatility, the Company considers the historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued.

Given that the Company's stock is publicly traded on NSE and BSE, for the purpose of calculating volatility, the Company has considered the daily volatility of the stock prices on NSE, over a period prior to the date of grant, corresponding with the expected life of the options being valued.

c. Risk free interest rate

The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

d. Exercise price

Options have been granted primarily at a price of ₹ 348.05 on February 29, 2008. Subsequently, 1,959,830 and 75,000 options were re-priced at a market price of ₹ 130/- and ₹ 165/- on January 28, 2009 and May 22, 2009 respectively. On December 5, 2011, 173,212 options were granted at a price of ₹ 396.50 per option.

e. Expected life of options

Expected life of options is the period over which the Company expects the options to be exercised. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

The fair value of each award has been determined based on different expected lives of the options that vest each year, as it would be if the award were viewed as several separate awards, each with a different vesting date. A weighted average of all vests has been calculated to arrive at the value of the options. The expected life of option is calculated as the average of the minimum life (vesting period) and the maximum life (i.e. vesting period + exercise period). Expected life of option has been estimated on a similar basis for the remaining vests.

Expected dividend yield

Expected dividend yield has been calculated as an average of dividend yields for the preceding two years to the date of the grant.

Notes to the standalone financial statements for the year ended March 31, 2020

Details of movements in stock options during the year

Particulars	FY 2019-20		FY 2018-19	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at the beginning of the year	3,819	396.50	12,292	396.50
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	1,287	396.50	5,726	396.50
Expired during the year	2,532	396.50	2,747	396.50
Balance at the end of the year	-	-	3,819	396.50

Weighted average contractual life

The weighted average remaining contractual life of the options outstanding is Nil (previous year 0.75 years).

Details of stock options exercised during the year

Particulars	Number exercised	Allotment date	Share price at allotment date
Grant I	NIL	-	-
Grant II	NIL	-	-
Grant III	NIL	-	-
Grant IV	NIL	-	-
Grant V	1,287	December 18, 2019	BSE-117.10/NSE-117.30

46. Stock Appreciation Rights

a. Details of Stock Appreciation Rights

The Company has formulated 'REDINGTON STOCK APPRECIATION RIGHT SCHEME 2017' ("SAR Scheme 2017") with an intent to reward the employees of the Company and its subsidiaries for their performance and to motivate them to contribute to the growth and profitability of the Company. The maximum number of shares to be issued against the Stock Appreciation Rights (SARs) shall not exceed 86,81,681 equity shares of ₹ 2/- each as adjusted for any changes in the capital structure of the Company. Pursuant to the approval of SAR Scheme 2017 by the members of the Company, the Nomination and Remuneration Committee of the Board of Redington (India) Limited on December 30, 2017 approved the grant of 81,79,000 SARs to the employees of the Company and its subsidiaries.

Each SAR entitles the eligible employees and directors to receive equity shares of the Company equivalent to the increase in value of one equity share ('Appreciation'). Appreciation is calculated by reducing the issue price / base price from the reported closing price of the equity shares 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 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 conditions. The Company has used the Black-Scholes Option Pricing Model to determine the fair value of the SARs based on which the compensation cost for the current year has been computed.

Notes to the standalone financial statements for the year ended March 31, 2020

The said SAR Scheme is in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Details of SARs granted are as follows:

A. Details of SAR	Particulars
Date of grant	December 30, 2017
Fair value at grant date (weighted-average)	₹ 71.99 per SAR
Exercise/ Base price	₹ 148.50 (15% discount to the Closing Market Price of ₹ 174.60 at NSE on December 29, 2017) date prior to the date of grant
Vesting commences on	December 30, 2018
Vesting requirement	The SARs granted would be vested subject to the time and performance conditions as may be decided by the Compensation Committee from time to time.
Maximum term of SARs granted	3 years from the date of vesting
Method of settlement	Equity shares of the Company

Particulars	March 31, 2020	March 31, 2019
B. Details of movement in SARs granted during the year	Units (in numbers)	
SARs outstanding at the beginning of the year	75,17,600	81,49,000
Number of SARs granted during the year	-	-
SARs lapsed during the year	8,41,700	6,31,400
Total number of shares to be allotted on exercise of SAR	-	-
SARs outstanding at the end of the year	66,75,900	75,17,600
SARs exercisable at the end of the year	20,21,250	7,53,200
C. Range of exercise prices of SARs outstanding at the end of the year	₹ 2	₹ 2
D. Weighted average remaining contractual life (in years)	3.35	2.76

i) The fair value has been calculated using the Black Scholes Option Pricing model. The Assumptions used in the model on a weighted average basis at the time of the grant are as follows	Assumption values
1. Risk free interest rate	7.02%
2. Expected life (in years)	4.10
3. Expected volatility	35.72%
4. Dividend yield	1.20%
5. Price of the underlying share in market at the time of the option grant. (₹)	174.60

The variables / assumptions used at the time of the grant for calculating the fair value using the above model and their rationale are as follows:

i. **Stock price**

The closing market price of the Company's share on the date prior to the date of grant as quoted on the National Stock Exchange (NSE) has been considered for the purposes of right valuation.

Notes to the standalone financial statements for the year ended March 31, 2020

ii. Volatility

Volatility is a measure of the amount by which the stock price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes right pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

In determining volatility, the Company considers the historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the right being valued. Volatility has been calculated based on the daily closing market price of the Company's stock price on NSE over these years.

iii. Risk free interest rate

The risk-free interest rate is considered for the calculation is the interest rate applicable for maturity equal to the expected life of the rights based on the zero-coupon yield curve for Government Securities

iv. Exercise / base price

Exercise / base price of ₹ 148.50 is considered in the above valuation.

v. Expected Life of SAR's

Expected Life of SAR is the period over which the Company expects the SAR to be exercised. The minimum life of SAR is the minimum period before which the SAR cannot be exercised. The maximum life is the period after which the SAR cannot be exercised.

The expected life of rights is calculated as the average of the minimum life (vesting period) and the maximum life (i.e. vesting period + exercise period).

vi. Expected dividend yield

Expected dividend yield has been calculated based on the final dividend declared during the preceding financial year.

F. 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 under employee benefit expenses.

G. Amount recognized as cost of investments in subsidiaries

The Company has recognized the cost of those SARs which were issued to the employees and directors of the subsidiaries as the cost of investments.

47. Buy Back of equity shares

The Board of Directors at its meeting held on September 17, 2018, considered and approved the proposal for buy-back of up to 11,120,000 fully paid up equity shares of the Company (representing 2.78 % of the total paid-up equity share capital of the Company as on March 31, 2018) of the face value of ₹ 2 each at a price of ₹ 125 per equity share for an aggregate amount not exceeding ₹ 139 Crores from the members of the Company, as on September 28, 2018 (the record date determined by the Board), on a proportionate basis through "Tender Offer" route as prescribed under the SEBI (Buy-back of Securities) Regulations, 2018. A Letter of Offer was made to all eligible shareholders and the Company completed the buy-back of 11,120,000 equity shares resulting in a reduction in the share capital and securities premium of the Company by ₹ 2.22 Crores and ₹ 136.78 Crores respectively during the previous year.

Notes to the standalone financial statements for the year ended March 31, 2020

Further, pursuant to the buy-back, the Company has also transferred an amount of ₹ 2.22 Crores from general reserve to capital redemption reserve in accordance with the provisions of the Companies Act, 2013. The transaction costs relating to buy-back amounting to ₹ 2.29 Crores was charged to Surplus in the statement of profit and loss (Retained earnings) under other equity in the previous year.

48. Update on Income Tax matters

The Income tax department had raised a demand during the financial year 2013-14 on the Company for ₹ 118.65 Crores (besides interest of ₹ 75.93 Crores) arising on account of tax on capital gains from the transfer of the Company's investment in an overseas subsidiary to another overseas step-down subsidiary, for the assessment year ended March 31, 2009. This demand has been set aside by the Income Tax Appellate Tribunal, Chennai vide its order dated July 7, 2014. The Company received an intimation from the Income Tax Department Counsel stating that the Department has filed an appeal against the said order before the Madras High Court. In August 2019, the Court allowed the admission of the appeal. The Company is actively contesting the said matter.

49. These standalone financial statements were approved for issue by the Board of Directors on June 11, 2020.

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

S Sethuraman

Partner

Membership No.: 203491

Place : Chennai

for and on behalf of the Board of Directors

Raj Shankar

Managing Director

(DIN-00238790)

Place : Singapore

S V Krishnan

Chief Financial Officer and

Whole-time Director

(DIN-07518349)

Place : Chennai

M Muthukumarasamy

Company Secretary

Place : Chennai

Date : June 11, 2020

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CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of Redington (India) Limited
Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Redington (India) Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss (including 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 and other explanatory information (hereinafter referred to as "the consolidated financial statements"), in which are included the financial statements/financial information ("the Returns") for the year ended on that date audited by the branch auditors of the Holding Company's branch at Singapore. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch and other auditors on separate financial statements of the branch, subsidiaries and associates as were audited by the branch and other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group and its associates as at March 31, 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the branch auditors and other auditors referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>Adoption of Ind AS 116 - Leases The Group adopted Ind AS 116 - Leases with effect from April 1, 2019 using the modified retrospective method with the cumulative effect of adopting this standard being recorded in retained earnings. Ind AS 116 introduces a new lease accounting model, where a lessee is required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on its balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of Ind AS 116 involves significant judgements and estimates including, determination of the discount rates and the lease term. The ROU asset and the lease liability arising from applying Ind AS 116 are significant to the Group and is hence a key focus area in our audit. See note 2(f), 4(e) and 33 to the consolidated financial statements.</p>	<p>In view of the significance of the matter, the following key audit procedures were performed in respect of the entities audited by us / the auditors of the subsidiaries in respect of the entities audited by them, as applicable:</p> <ul style="list-style-type: none"> • Verified the design and operating effectiveness of key internal controls relating to implementation of Ind AS 116 - Leases. • Assessed the Group's evaluation on the identification of leases based on the contractual agreements • Assessed the key terms and conditions of lease with the underlying lease contracts on a sample basis. • Verified the accuracy of calculation of ROU assets and lease liabilities. • Verified the appropriateness of the discount rates and the lease term considered in the calculation of ROU assets and lease liabilities. • Evaluated the adequacy of disclosures made in the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>Revenue recognition and trade receivables</p> <p>Revenue recognition involves certain key judgments relating to identification of contracts with customers, identification of distinct performance obligations including assessment of the Group acting as a principal or agent in the transaction, determination of transaction price and the basis used to recognise revenue either at a point in time or over a period of time.</p> <p>Revenue is recognised 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.</p> <p>Revenue recognition has been identified as a key audit matter because the Group and its external stakeholders focus on revenue as a key performance metric. This could create an incentive for revenue to be overstated or recognised before control has been transferred.</p> <p>Further, the Group has significant trade receivables at year end. Given the size of the balances and the risk of some of the trade receivables not being recoverable, judgement is required to evaluate the adequacy of allowance recorded to reflect the risk.</p> <p>See note 2(d)(ii), 2(d)(xi), 4(h), 4(w) and 35(b) to the consolidated financial statements.</p>	<p>In view of the significance of the matter, the following key audit procedures were performed in respect of the entities audited by us / the auditors of the subsidiaries in respect of the entities audited by them, as applicable:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards. Tested the design, implementation and operating effectiveness of key internal controls relating to revenue recognition. Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents of the sale. Performed testing for samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to assess the accuracy of the period in which revenue was recognized. Selected samples of contractual arrangements, tested the assessment of whether the Group acts as a principal or agent in the transaction and evaluated the recognition of revenue on a gross or net basis. Evaluated management assessment of the impact on revenue recognition and consequential impact on the expected credit loss allowance and other areas of judgement, including for possible effects, if any from the COVID-19 pandemic.

The key audit matter	How the matter was addressed in our audit
<p>Supplier rebates</p> <p>The Group is entitled to price support from the suppliers in the form of rebates (also referred to as backend income). The Group has varied types of rebate schemes and the quantum of rebates recorded against cost of purchase of traded goods / services are significant in relation to the profits. Accordingly, determination of the Group's entitlement to such rebates, its quantum (involving estimation and judgements) and accuracy of period in which the rebates are recorded were areas of focus for our audit.</p> <p>See note 2(d)(viii) to the consolidated financial statements.</p>	<p>In view of the significance of the matter, the following key audit procedures were performed in respect of the entities audited by us / the auditors of the subsidiaries in respect of the entities audited by them, as applicable:</p> <ul style="list-style-type: none"> Obtained an understanding of and assessed the design, implementation and operating effectiveness of the Group's key internal controls over supplier rebates. Selected samples and verified underlying documents such as program/scheme documents, credit notes / payments received to verify the accuracy of the amounts and the period in which the supplier rebates were recorded. Selected samples of supplier rebates recorded in the subsequent financial period and verified the underlying documents to evaluate the accuracy of the period in which the supplier rebates were recorded.

The key audit matter	How the matter was addressed in our audit
<p>Taxation related matters</p> <p>Determination of tax provision and assessment of contingent liabilities in respect of various direct tax and indirect tax matters involves judgment, interpretation of laws, regulations, judicial pronouncements, etc. Judgment is also required in assessing the range of possible outcomes for some of these matters.</p> <p>The Group makes an assessment to determine the outcome of these matters and decides to make an accrual or consider it to be a possible contingent liability in accordance with applicable accounting standards.</p> <p>Accordingly, tax provisions and contingent liabilities are areas of focus in the audit.</p> <p>See note 2(d)(v), 4(m), 4(n), 32 and 46 to the consolidated financial statements.</p>	<p>In view of the significance of the matter, the following key audit procedures were performed in respect of the entities audited by us / the auditors of the subsidiaries in respect of the entities audited by them, as applicable:</p> <ul style="list-style-type: none"> • Tested the design, implementation and operating effectiveness of key internal controls relating tax contingencies. • Evaluated judgements used in respect of estimates of provisions, exposures and contingencies. • Involved our tax specialists to read and analyse select assessment orders and other correspondences obtained by Group for key tax matters. • Evaluated the Group’s judgements in respect of estimates of provisions, exposures and contingencies by involving our tax specialists to assess the status of recent and current tax assessments. • Considered third party advice received by the Group, wherever applicable, the outcome of previous claims, relevant judicial pronouncements and developments in the tax environment. • Evaluated the adequacy of disclosures on provisions and contingencies made in the financial statements.

The key audit matter	How the matter was addressed in our audit
<p>Implementation of new Information Technology (IT) system</p> <p>During the year, the Company migrated to a new IT system from its legacy IT system. The new IT system is used by the Company to record its transactions across processes and is the core IT system for financial reporting.</p> <p>Implementation of a new IT system presents inherent risks including the loss of integrity of key financial data being migrated and the breakdown in operation or monitoring of IT dependent controls within critical business processes, which could lead to financial errors or misstatements and inaccurate financial reporting.</p>	<p>In view of the significance of the matter, we applied the following key audit procedures in respect of the Company:</p> <ul style="list-style-type: none"> • Engaged our IT specialists to understand the Company’s process surrounding implementation of the new IT system. • Our IT specialists tested the General IT control environment of the new IT system, IT access and segregation of duties, as well as IT dependent controls within critical business processes. • In relation to the system migration itself, our IT specialists tested the controls specifically established over the implementation of new IT system and migration of key financial data from the legacy to the new IT system. • Performed independent verification of the data migration and reconciliation between legacy systems and the new IT system for a sample of general ledger and sub-ledgers.

Other Information

The Holding Company’s management and Board of Directors are responsible for the other information. The other information comprises of reports such as Board’s Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the consolidated financial statements and our auditors’ report thereon) which we obtained prior to the date of this Auditor’s Report, and the remaining sections of Annual report, which are expected to be made available to us after that date.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report and based on the work done/ audit report of other auditors, 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.

When we read the remaining sections of Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of each company.

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 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 consolidated 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 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 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- 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 Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated 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 appropriateness of this assumption. 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 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 and its associates 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 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 and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the branch and other entities included in the consolidated financial statements, which have been audited by the branch auditors and other auditors, such branch auditors and other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the branch auditors and other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of two foreign subsidiaries (which included the financial statements of its step-down subsidiaries) and one Indian subsidiary, whose financial statements reflect total assets of INR 9,420.95 crores as at March 31, 2020, total revenues of INR 32,674.65 crores and net cash inflows amounting to INR 871.23 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of INR Nil crores for the year ended March 31, 2020, in respect of associates, whose financial statements have not been audited by us. These financial statements have been audited by

other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the audit reports of the other auditors.

We also did not audit the standalone financial statements of a foreign branch included in the consolidated financial statements of the Holding Company whose financial statements reflect total assets of INR 210.89 crores as at March 31, 2020 and the total revenue of INR 308.96 crores and net cash inflows of INR 41.60 crores for the year ended on that date, as considered in the consolidated financial statements. This branch has been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the report of such branch auditors.

The branch and certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by branch auditors and other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such branch and subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such branch and subsidiaries located outside India is based on the report of the branch auditors and other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the branch and other auditors.

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the branch auditors and other auditors on separate financial statements of such branch, subsidiaries and associates as were audited by branch auditors and other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books including proper returns adequate for the purposes of our audit have been received from the branch not visited by us and the reports of the branch auditors and other auditors.
 - c) The reports on the accounts of the branch office of the Holding Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - d) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - e) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2020 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 Holding Company, its subsidiary companies and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- 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 and based on the consideration of the reports of the branch auditors and other auditors on separate financial statements of the branch, subsidiaries and associates, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2020 on the consolidated financial position of the Group. Refer Note 32 and 46 to the consolidated financial statements.
 - ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2020.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate companies incorporated in India during the year ended March 31, 2020.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2020.
- C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and associate companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and associate companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and associate companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. - 101248W/W-100022

S Sethuraman

Partner

Membership No. 203491

UDIN: 20203491AAAABL3967

Place: Chennai

Date: June 11, 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of Redington (India) Limited for the year ended March 31, 2020

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of Redington (India) Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associate companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its associate companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective 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 internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and associate companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. - 101248W/W-100022

S Sethuraman

Partner

Membership No. 203491

UDIN: 20203491AAAABL3967

Place: Chennai

Date: June 11, 2020

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	5 (a)	174.11	186.87
Capital work-in-progress		0.06	7.56
Right-of-use-assets	33	230.26	-
Goodwill	6	18.38	22.03
Other intangible assets	5 (b)	291.67	245.40
Intangible assets under development	5 (d)	11.41	30.27
Financial assets			
Other financial assets	14	20.24	25.72
Deferred tax assets (net)	8	29.95	40.14
Income tax assets (net)	7	147.93	105.12
Other non-current assets	9	78.56	89.02
Total non-current assets		1,002.57	752.13
Current assets			
Inventories	10	3,672.76	3,859.17
Financial assets			
Investments	15	-	7.03
Trade receivables	11	7,032.00	6,278.56
Cash and cash equivalents	12 (a)	2,343.54	866.64
Other bank balances	12 (b)	33.54	10.55
Loans	13	2.00	44.00
Other financial assets	14	199.67	264.22
Other current assets	16	370.15	338.38
Total current assets		13,653.66	11,668.55
Total assets		14,656.23	12,420.68
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	77.82	77.82
Other equity	18	4,231.03	3,828.16
Equity attributable to the shareholders of the Company		4,308.85	3,905.98
Non-controlling interests	19	381.27	344.67
Total equity		4,690.12	4,250.65
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	-	24.54
Lease liabilities		164.53	-
Other financial liabilities	23	0.38	7.00
Provisions	21	124.76	97.10
Deferred tax liabilities (net)	8	4.90	1.53
Total non-current liabilities		294.57	130.17

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Current liabilities			
Financial liabilities			
Borrowings	20	2,537.48	1,282.86
Lease liabilities		72.70	-
Trade payables	22		
(a) total outstanding dues of micro enterprises and small enterprises		34.63	92.21
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		6,240.52	5,812.65
Other financial liabilities	23	184.79	204.00
Other current liabilities	24	486.94	598.03
Provisions	21	20.94	17.67
Current tax liabilities	7	93.54	32.44
Total current liabilities		9,671.54	8,039.86
Total liabilities		9,966.11	8,170.03
Total equity and liabilities		14,656.23	12,420.68

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

for and on behalf of the Board of Directors

S Sethuraman

Partner

Membership No.: 203491

Place : Chennai

Raj Shankar

Managing Director

(DIN-00238790)

Place : Singapore

S V Krishnan

Chief Financial Officer and

Whole-time Director

(DIN-07518349)

Place : Chennai

M Muthukumarasamy

Company Secretary

Place : Chennai

Date : June 11, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	25	51,465.17	46,536.15
Other income (net)	26	48.61	63.23
Total income		51,513.78	46,599.38
Expenses			
Purchases of traded goods		48,276.57	44,598.99
Changes in inventories of traded goods		371.71	(786.15)
Employee benefits expense	27	783.78	724.20
Finance costs	28	219.06	204.15
Depreciation and amortisation expense	29	155.40	63.36
Other expenses	30	1,010.30	1,100.43
Total expenses		50,816.82	45,904.98
Profit before exceptional item and tax		696.96	694.40
Exceptional item			
Impairment of goodwill and other intangibles	40	4.68	71.06
Profit before tax		692.28	623.34
Tax expense			
Current tax		141.99	157.55
Deferred tax		16.37	(18.68)
Total tax expense	7	158.36	138.87
Profit for the year (A)		533.92	484.47
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit liability		(8.12)	(3.29)
Income tax relating to item above		0.17	1.16
Net other comprehensive (loss) that will not be reclassified to profit or loss		(7.95)	(2.13)
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		283.61	138.67
Income tax relating to item above		-	-
Net other comprehensive income that will be reclassified to profit or loss		283.61	138.67
Total other comprehensive income (B)		275.66	136.54
Total comprehensive income for the year(A+B)		809.58	621.01

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year attributable to			
Shareholders of the Company		515.21	507.78
Non-controlling interests		18.71	(23.31)
Other comprehensive income for the year attributable to			
Shareholders of the Company		245.57	120.74
Non-controlling interests		30.09	15.80
Total comprehensive income for the year attributable to			
Shareholders of the Company		760.78	628.52
Non-controlling interests		48.80	(7.51)
Earnings per equity share (Face value ₹ 2 each)	31		
Basic (in ₹)		13.24	12.80
Diluted (in ₹)		13.24	12.80

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

for and on behalf of the Board of Directors

S Sethuraman
Partner
Membership No.: 203491
Place : Chennai

Raj Shankar
Managing Director
(DIN-00238790)
Place : Singapore

S V Krishnan
Chief Financial Officer and
Whole-time Director
(DIN-07518349)
Place : Chennai

M Muthukumarasamy
Company Secretary
Place : Chennai

Date : June 11, 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities		
Profit for the year	533.92	484.47
Adjustments for:		
- Income tax expense recognised in profit and loss	158.36	138.87
- Depreciation and amortisation expense	155.40	63.36
- Finance costs	219.06	204.15
- Interest income	(22.73)	(21.80)
- Stock compensation expense	10.76	16.71
- Impairment of goodwill and other intangibles	4.68	71.06
- Allowance for doubtful receivables and other financial assets	100.00	66.94
- Income received from short-term investments	(3.26)	(2.36)
- Unrealised exchange (gain) / loss (net)	(6.26)	0.35
- Gain on sale of property, plant and equipment (net)	(0.96)	(4.02)
Operating profit before working capital changes	1,148.97	1,017.73
(Increase) in trade receivables	(449.14)	(57.29)
Decrease / (Increase) in other assets	83.06	(139.52)
Decrease / (Increase) in inventories	405.72	(653.56)
(Decrease) / Increase in other liabilities	(208.28)	84.78
Increase in trade payables	101.19	1,008.25
Increase in provisions	12.06	9.05
Cash generated from operations	1,093.58	1,269.44
Income taxes paid (net)	(127.93)	(201.00)
Net cash generated from operating activities	965.65	1,068.44
B. Cash flow from investing activities		
Payment towards acquisition of property, plant and equipment	(47.15)	(30.81)
Payment towards acquisition of other intangible assets	(36.65)	(51.22)
Proceeds from sale of property, plant and equipment and other intangible assets	3.56	9.03
Interest received	19.47	19.51
Income received from short-term investments	2.37	1.97
Loans given to associate	(33.10)	(63.40)
Loans settled by associate	58.20	66.30
Proceeds from sale of mutual fund investments	74.32	40.95
Purchase of mutual fund investments	(66.44)	(44.45)
Changes in bank deposits not treated as cash and cash equivalents	(22.12)	7.27
Acquisition of subsidiary, net of cash and cash equivalents acquired	(10.00)	(33.78)
Cash outflow for disposal of subsidiaries	-	(4.17)
Cash outflow for acquisition of additional control in step-down subsidiaries (net)	-	(11.60)
Net cash used in investing activities	(57.54)	(94.40)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. Cash flow from financing activities		
Proceeds from short-term borrowings (net)	2,023.26	860.65
Repayment of short-term borrowings	(920.37)	(1,064.94)
Proceeds from long-term borrowings	15.52	17.66
Repayment of long-term borrowings	(3.93)	(1.06)
Proceeds from allotment of shares under Employee Stock Option Plan, 2008	0.05	0.24
Buy-back expenses	-	(2.29)
Buy-back of equity shares	-	(139.00)
Dividends paid (including dividend distribution tax paid net of dividend distribution tax credit)	(352.97)	(113.14)
Dividend paid by step-down subsidiary to non-controlling shareholders	(6.43)	(4.31)
Finance costs paid	(208.06)	(203.75)
Acquisition of non-controlling interest	(11.00)	-
Payment of finance lease obligations	-	(0.75)
Payment of lease liabilities	(92.81)	-
Net cash used in financing activities	443.26	(650.69)
Net increase/(decrease) in cash and cash equivalents	1,351.37	323.35
Cash and cash equivalents at the beginning of the year	816.11	492.09
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	111.82	0.67
Cash and cash equivalents at the end of the year	2,279.30	816.11

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

for and on behalf of the Board of Directors

S Sethuraman

Partner

Membership No.: 203491

Place : Chennai

Raj Shankar

Managing Director

(DIN-00238790)

Place : Singapore

S V Krishnan

Chief Financial Officer and

Whole-time Director

(DIN-07518349)

Place : Chennai

M Muthukumarasamy

Company Secretary

Place : Chennai

Date : June 11, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Equity share capital	Other equity										Non-controlling interests	Total equity
		Securities premium	Capital reserve	Statutory reserve	Capital redemption reserve	Foreign currency translation reserve	General reserve	Remeasurement of defined benefit liability	Surplus in the Statement of Profit and Loss	Stock compensation reserve	Total		
Balance as at April 1, 2018	80.03	357.31	71.44	0.92	-	241.12	109.61	(8.00)	2,673.37	4.76	3,450.53	358.83	3,889.39
Total comprehensive income for the year ended March 31, 2019	-	-	-	-	-	-	-	-	507.78	-	507.78	(23.31)	484.47
Profit for the year	-	-	-	-	-	-	-	-	507.78	-	507.78	(23.31)	484.47
Other comprehensive income for the year (net of taxes)	-	-	-	-	122.87	-	-	(2.13)	-	-	120.74	15.80	136.54
Total comprehensive income	-	-	-	-	122.87	-	-	(2.13)	507.78	-	628.52	(7.51)	621.01
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-	-	-	-
Allotment of shares under Employee Stock Option Plan, 2008	0.01	0.23	-	-	-	-	-	-	-	-	0.23	-	0.24
Buy-back of shares (including expenses relating to buy-back)	(2.22)	(136.78)	-	-	-	-	-	-	(2.29)	-	(139.07)	-	(141.29)
Creation of capital redemption reserve pursuant to buy-back of shares	-	-	-	2.22	-	-	(2.22)	-	-	-	-	-	-
Stock compensation expense	-	-	-	-	-	-	-	-	-	16.71	16.71	-	16.71
Final dividend paid (including dividend distribution tax paid net of dividend distribution tax credit)	-	-	-	-	-	-	-	-	(113.14)	-	(113.14)	-	(113.14)
Total contributions by and distributions to owners	(2.21)	(136.55)	-	-	2.22	-	(2.22)	-	(115.43)	16.71	(235.27)	-	(237.48)
Changes in ownership interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	(4.95)	-	(4.95)	(6.65)	(11.60)
Total changes in ownership interests	-	-	-	-	-	-	-	-	(4.95)	-	(4.95)	(6.65)	(11.60)
Total transactions with owners	(2.21)	(136.55)	-	-	2.22	-	(2.22)	-	(120.38)	16.71	(240.22)	(6.65)	(249.08)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(4.31)	-	(4.31)	-	(4.31)
Forward contract entered with non-controlling interests	-	-	-	-	-	-	-	-	(6.36)	-	(6.36)	-	(6.36)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(10.67)	-	(10.67)	-	(10.67)
Balance as at March 31, 2019	77.82	220.76	71.44	0.92	2.22	363.99	107.39	(10.13)	3,050.10	21.47	3,828.16	344.67	4,250.65

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

All amounts in crores of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Equity share capital	Other equity								Non-controlling interests	Total equity		
		Securities premium	Capital reserve	Statutory reserve	Capital redemption reserve	Foreign currency translation reserve	General reserve	Remeasurement of defined benefit liability	Surplus in the Statement of Profit and Loss			Stock compensation reserve	Total
Balance as at April 1, 2019	77.82	220.76	71.44	0.92	2.22	363.99	107.39	(10.13)	3,050.10	21.47	3,828.16	344.67	4,250.65
Adjustment on initial application of Ind AS 116, net of tax	-	-	-	-	-	-	-	-	(10.52)	-	(10.52)	-	(10.52)
Adjusted balance as at April 1, 2019	77.82	220.76	71.44	0.92	2.22	363.99	107.39	(10.13)	3,039.58	21.47	3,817.64	344.67	4,240.13
Total comprehensive income for the year ended March 31, 2020	-	-	-	-	-	-	-	-	515.21	-	515.21	18.71	533.92
Profit for the year	-	-	-	-	-	-	-	-	515.21	-	515.21	18.71	533.92
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	253.52	-	(7.95)	-	-	245.57	30.09	275.66
Total comprehensive income	-	-	-	-	-	253.52	-	(7.95)	515.21	-	760.78	48.80	809.58
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-	-	-	-
Allotment of shares under Employee Stock Option Plan, 2008	-	0.05	-	-	-	-	-	-	-	-	0.05	-	0.05
Stock compensation expense	-	-	-	-	-	-	-	-	-	10.76	10.76	-	10.76
Final / Interim dividend paid (including dividend distribution tax paid net of dividend distribution tax credit)	-	-	-	-	-	-	-	-	(352.97)	-	(352.97)	-	(352.97)
Total contributions by and distributions to owners	-	0.05	-	-	-	-	-	-	(352.97)	10.76	(342.16)	-	(342.16)
Changes in ownership interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	(5.23)	-	(5.23)	(5.77)	(11.00)
Total changes in ownership interests	-	-	-	-	-	-	-	-	(5.23)	-	(5.23)	(5.77)	(11.00)
Total transactions with owners	-	0.05	-	-	-	-	-	-	(358.20)	10.76	(347.39)	(5.77)	(353.16)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(6.43)	(6.43)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(6.43)	(6.43)
Balance as at March 31, 2020	77.82	220.81	71.44	0.92	2.22	617.51	107.39	(18.08)	3,196.59	32.23	4,231.03	381.27	4,690.12

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached for **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

for and on behalf of the Board of Directors

S Sethuraman

Partner

Membership No.: 203491

Place : Chennai

Date : June 11, 2020

Raj Shankar

Managing Director

(DIN-00238790)

Place : Singapore

M Muthukumarasamy

Company Secretary

Place : Chennai

S V Krishnan

Chief Financial Officer and

Whole-time Director

(DIN-07518349)

Place : Chennai

NOTES to the Consolidated financial statements for the year ended March 31, 2020

1. Overview

Redington (India) Limited (“the Company / Parent Company”), is a public limited Company domiciled in India, incorporated under the provisions of the Companies Act, 1956 and has its registered office at SPL Guindy House, 95, Mount road, Chennai- 600032, Tamil Nadu, India. The Company’s equity shares are listed on the bourses of BSE Limited and National Stock Exchange of India Limited. The Company also listed its commercial papers on the bourses of the BSE Limited during the financial year. The Company, its subsidiaries and associate operate in India, Middle East, Turkey, Africa and South Asian countries and are engaged in the business of distribution of Information Technology, mobility and other technology products besides supply chain solutions and after sales services. The Company has an operating branch in Singapore.

These consolidated financial statements comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in its associate.

2. Basis of preparation of consolidated financial statements

a. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) 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.

b. Functional / Presentation Currency

The consolidated financial statements are presented in Indian Rupees (₹) which is also the functional currency of the Company and its Indian subsidiaries. The functional currency of the Company’s branch in Singapore is United States Dollar (USD). Functional currency of Company’s overseas subsidiaries is determined based on a number of factors, including the primary economic environment in which each of the Company’s overseas subsidiaries operate. All amounts in the consolidated financial statements have been rounded off to the nearest Crores, unless otherwise indicated.

c. Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities (including forward contracts)	Fair value
Stock Appreciation Rights (SARs)	Fair value
Defined benefit liability	Present value of defined benefit obligation

d. Use of estimates and judgements

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

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

Other estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates and judgments considered in the reported amounts of assets and liabilities (including contingent assets and liabilities), the reported income and the expenses during the year. The management believes that the estimates / judgments used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised

NOTES to the Consolidated financial statements for the year ended March 31, 2020

in the periods in which the results are known / materialise. Estimates, judgments and assumptions are reviewed on an on-going basis.

Key sources of judgment and estimation of uncertainties at the date of the financial statements, which may cause a material adjustment to income and expenditure / the carrying amounts of assets and liabilities are:

(i) Control

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. 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 return.

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 holding of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties, if any;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that demonstrate that the Company has, the current ability to direct the relevant activities at the time the decisions need to be made, including voting patterns at shareholders' meetings and Board meetings.

(ii) Revenue recognition

The Group has assessed its revenue arrangements based on substance of the transaction and business model against specific criteria to determine if it is acting as principal or agent.

(iii) Intangible asset - Trade name

The Group considers the acquired trade name, encompassing trademark and brand name, which is separately identifiable and controlled by the Group, to have an indefinite useful life. The Group considers such brand name to have an indefinite useful life on the basis that there is no foreseeable limit to the period over which the asset is expected to generate economic benefits.

(iv) Useful lives of Property, plant and equipment

The cost of property, plant and equipment is depreciated over the estimated useful life, which is based on technical evaluation made by the Group considering various factors including expected usage of the asset, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and the residual value.

(v) Taxation

The Group operates in multiple tax jurisdictions. Significant judgements are involved in determining the provision for current income taxes and contingencies, including judgment on whether tax positions are probable of being sustained in tax assessments and in determining the likelihood and magnitude of outflow of resources.

(vi) Stock Appreciation Rights

Compensation costs in respect of Stock Appreciation Rights (SAR) granted during the earlier year have been determined using the Black Scholes option valuation model. The said model requires the Company to input certain assumption / variables to determine the fair value of the SAR granted. The Company has applied appropriate levels of judgements in determining these assumption / variables basis the information available as at the date of grant, the details of which are more fully described in note 42.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

(vii) Inventory obsolescence

Inventories are measured 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 level. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and other issues. Revisions to these adjustments would be required if these factors differ from the estimates.

(viii) Original Equipment Manufacturer ("OEM") supplier programs

OEM suppliers formulate programs for inventory volume promotion and price protection rebates. Inventory volume promotion programs and price protection rebates are recorded as a reduction in the cost of purchase of traded goods or carrying value of inventories. 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 purchase of traded goods or carrying value of inventories. Actual rebates may vary based on volume or other sales achievement levels, which may result in an increase or reduction in the estimated amounts previously accrued.

(ix) 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.

(x) Impairment of goodwill and other intangibles

The Group carries out an impairment review whenever events or changes in circumstances 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 Ind AS 36.

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

(xi) Impairment of financial assets

The Group 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 Group 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.

(xii) 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).

e. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies, from time to time, new accounting standards or amendments to the existing standards. There have been no such notifications which would have been applicable from April 1, 2020.

f. Changes in significant accounting policies

The Group initially applied Ind AS 116 Leases from April 1, 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at April 1, 2019. Accordingly, the comparative information presented for the year ended March 31, 2019 is not restated - i.e. it is presented, as previously reported, under Ind AS 17. The details of the changes in accounting policies are disclosed below.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

(i) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under Ind AS 17 Leases. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 4 (e).

On transition to Ind AS 116, the Group elected to apply the practical expedient to consider the assessment of which transactions are leases. The Group applied Ind AS 116 only to contracts that were previously identified as leases. The Group applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17, contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease under Ind AS 116, as permitted by the standard. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after April 1, 2019.

(ii) As a lessee

As a lessee, the Group leases many assets that are in the nature of land and buildings, vehicles and other equipment. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset of the Group. Under Ind AS 116, the Group recognises right-of-use assets and lease liabilities for most of these leases - i.e. these leases are on-balance sheet.

Leases classified as operating leases under Ind AS 17

Previously, the Group classified leases as operating leases under Ind AS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at April 1, 2019 (see Note 2 (f) (iii)). Right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application.

The Group has evaluated its right-to-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients as permitted by the standard when applying Ind AS 116 on a lease-by-lease basis to leases previously classified as operating leases under Ind AS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application as permitted by the standard;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application as permitted by the standard;
- applied a single discount rate to its portfolio of leases given that its leases have reasonably similar characteristics;
- used hindsight when determining the lease term when the contract contains options to extend or terminate the lease;

Leases classified as finance leases under Ind AS 17

For the leases classified as finance leases under Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at April 1, 2019 were determined at the carrying amount of the lease asset and lease liability under Ind AS 17 immediately before that date.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

(iii) Impact of transition on the financial statements

On transition to Ind AS 116, the Group recognised right-of-use assets and lease liabilities, recognizing the difference in retained earnings. The impact on transition is summarized below.

Particulars	₹ in Crores
	Amount
Assets	
Right-of-use assets recognized on April 1, 2019	255.34
Prepaid expenses	4.54
Liabilities	
Lease liabilities recognized on April 1, 2019	263.35
Accrued interest	0.55
Gross impact of transition	(13.11)
Corresponding deferred tax impact	2.58
Retained earnings impact as at April 1, 2019	(10.52)

For the impact of Ind AS 116, on profit or loss for the year, see Note 33. For the details of accounting policies under Ind AS 116, and Ind AS 17, see note 4 (e).

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using respective entity's incremental borrowing rate prevailing as at April 1, 2019. The weighted-average rate applied is 4.08% to 8.87%.

The difference between the future minimum lease rental commitments towards non-cancellable period of the operating leases reported as at March 31, 2019 compared to the lease liability accounted as at April 1, 2019 is primarily due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases in respect of which the Group has chosen to apply the practical expedient of short-term leases in accordance with the standard.

3. List of direct and step-down subsidiaries

The following are the list of direct and step-down subsidiaries of the Company that are consolidated.

A. Direct subsidiaries

S.No.	Name of the Company	Principal business activity	Country of incorporation	Ownership/ Beneficial interest % (As at March 31, 2020 and March 31, 2019)
1	ProConnect Supply Chain Solutions Limited	Comprehensive Supply Chain Management (SCM), providing total logistics solution services including warehousing management and allied services for various corporate customers.	India	100
2	Ensure Support Services (India) Limited	Engaged in the business of providing warranty and post warranty services, annual maintenance contract services, on-site support services and other related services.	India	100
3	Redington International Mauritius Limited	Acting as a holding company for investments which are engaged in the distribution of information technology products and related businesses.	Mauritius	100
4	Redington Distribution Pte Ltd	Importer and exporter of computers, computer peripherals and components.	Singapore	100

NOTES to the Consolidated financial statements for the year ended March 31, 2020

B. Step-down subsidiaries

S.No.	Name of the Company	Principal business activity	Country of incorporation	Ownership interest of the Group %	Beneficial interest of the Group %
				As at March 31, 2020 and March 31, 2019	
1	Redington Gulf FZE	Distribution of information technology products, providing hardware support and maintenance services.	Dubai, UAE	100	100
2	Redington Egypt Ltd. (Limited Liability Company)	Distribution of information technology products, providing hardware support and maintenance services.	Cairo, Egypt	100	100
3	Redington Nigeria Limited (refer note (f) below)	Distribution of information technology products, providing hardware support and maintenance services.	Lagos, Nigeria	- (March 31, 2019: 100)	- (March 31, 2019: 100)
4	Redington Gulf & Co. LLC	Distribution of information technology products, providing hardware support and maintenance services.	Ruwi, Oman	70	100
5	Redington Kenya Limited	Distribution of information technology products, providing hardware support and maintenance services.	Nairobi, Kenya	100	100
6	Cadensworth FZE	Distribution of information technology products and spare parts.	Dubai, UAE	100	100
7	Redington Middle East LLC (refer note (a) below)	Distribution of information technology products, providing hardware support and maintenance services.	Dubai, UAE	49	100
8	Ensure Services Arabia LLC	Providing hardware support and maintenance services.	Riyadh, Kingdom of Saudi Arabia	100	100
9	Redington Africa Distribution FZE (refer note (f) below)	Distribution of information technology and telecommunication products.	Dubai, UAE	- (March 31, 2019: 100)	- (March 31, 2019: 100)
10	Redington Qatar WLL (refer note (a) below)	Servicing of information technology products	Qatar	49	100
11	Ensure Services Bahrain S.P.C.	Providing hardware support and maintenance services.	Manama, Kingdom of Bahrain	100	100
12	Redington Qatar Distribution WLL (refer note (a) below)	Wholesale distribution of information technology products and spare parts.	Doha, Qatar	49	100
13	Redington Limited	Distribution of information technology products, providing hardware support and maintenance services.	Accra, Ghana	100	100
14	Redington Kenya (EPZ) Limited	Distribution of information technology products, providing hardware support and maintenance services.	Nairobi, Kenya	100	100
15	Redington Uganda Limited	Distribution of information technology products, providing hardware support and maintenance services.	Kampala, Uganda	100	100
16	Cadensworth United Arab Emirates (LLC) (refer note (a) below)	Distribution of information technology products, providing hardware support and maintenance services	Dubai, UAE	49	100
17	Redington Tanzania Limited	Distribution of information technology products, providing hardware support and maintenance services.	Dar e saalam, Tanzania	100	100
18	Redington Morocco Ltd.	Distribution of information technology products, providing hardware support and maintenance services.	Casablanca, Morocco	100	100
19	Ensure IT Services (Pty) Ltd.	Providing hardware support and maintenance services.	Johannesburg, South Africa	100	100
20	Redington Gulf FZE Co (refer note (b) below)	Distribution of information technology products, providing hardware support and maintenance services.	Erbil, Iraq	100	100
21	Redington Turkey Holdings S.A.R.L. ('RTHS')	Investment in companies which are engaged in supply chain and related businesses.	Luxembourg City, Grand Duchy of Luxembourg	100	100

NOTES to the Consolidated financial statements for the year ended March 31, 2020

S.No.	Name of the Company	Principal business activity	Country of incorporation	Ownership interest of the Group %	Beneficial interest of the Group %
22	Arena Bilgisayar Sanayi ve Ticaret A.S. (refer note (c) below)	Distribution of information technology and telecommunication products.	Istanbul, Turkey	49.40	49.40
23	Arena International FZE (refer note (c) below)	Computer software trading, computer equipment requisites trading, telephones and telecommunication equipment trading, computer and data processing requisites trading.	Dubai, UAE	49.40	49.40
24	Redington Bangladesh Limited	Marketing, selling and maintenance of computer hardware, accessories and spare parts	Bangladesh	99	100
25	Redington SL Private Limited	Wholesale distribution of information technology products and spare parts	Sri Lanka	100	100
26	Redington Rwanda Ltd.	Distribution of information technology products, providing hardware support and maintenance services.	Kigali, Rwanda	100	100
27	Redington Kazakhstan LLP	Distribution of information technology and telecommunication products.	Almaty, Kazakhstan	100	100
28	Ensure Gulf FZE	Providing hardware support and maintenance services.	Dubai, UAE	100	100
29	Ensure Technical Services (PTY) Ltd. (refer note (b) below)	Providing hardware support and maintenance services.	KwaZulu-Natal, South Africa	100	100
30	Ensure Middle East Trading LLC (refer note (a) below)	Providing hardware support and maintenance services.	Dubai, UAE	49	100
31	Ensure Solutions Nigeria Limited	Providing hardware support and maintenance services.	Lagos, Nigeria	99.90	100
32	Ensure Technical Services Kenya Limited	Providing hardware support and maintenance services.	Nairobi, Kenya	100	100
33	Ensure Services Uganda Limited	Providing hardware support and maintenance services.	Kampala, Uganda	100	100
34	Ensure Technical Services Tanzania Limited	Providing hardware support and maintenance services.	Dar e saalam, Tanzania	100	100
35	Ensure Ghana Limited	Providing hardware support and maintenance services.	Accra, Ghana	100	100
36	Proconnect Supply Chain Logistics LLC (refer note (a) below)	Providing logistic services.	Dubai, UAE	49	100
37	Ensure Technical Services Morocco Limited (Sarl)	Providing hardware support and maintenance services.	Casablanca, Morocco	100	100
38	Redington Senegal Limited S.A.R.L.	Distribution of information technology and telecommunication products.	Dakar, Senegal	100	100
39	Redington Saudi Arabia Distribution Company	Distribution of information technology and telecommunication products.	Riyadh, Saudi Arabia	75	100
40	PayNet Odeme Hizmetleri A.S. (refer note (c) below)	Payment intermediation services	Istanbul, Turkey	49.40	49.40
41	Sensonet Teknoloji Elektronik ve Bilisim Hizmetleri Sanayi Ve Ticaret A.S. (refer note (c) and (e) below)	Distribution of information technology and telecommunication products including surveillance equipment.	Istanbul, Turkey	(March 31, 2019: 49.40)	(March 31, 2019: 49.40)
42	CDW International Trading FZCO	Trading of information technology and telecommunication products.	Dubai, UAE	100	100
43	RNDC Alliance West Africa Limited	Distribution of information technology and telecommunication products.	Lagos, Nigeria	100	100
44	Linkplus Bilgisayar Sistemleri Sanayi ve Ticaret A.S. ('Linkplus')	Distribution of information technology products.	Istanbul, Turkey	100	100

NOTES to the Consolidated financial statements for the year ended March 31, 2020

S.No.	Name of the Company	Principal business activity	Country of incorporation	Ownership interest of the Group %	Beneficial interest of the Group %
45	Ensure Middle East Technology Solutions LLC (refer note (a) below)	Providing hardware support and maintenance services.	Abu Dhabi, UAE	49	100
46	Rajprotim Supply Chain Solutions Limited (refer note (d) below)	Providing Supply chain Management Services.	India	100 (March 31, 2019: 88)	100 (March 31, 2019: 88)
47	Proconnect Saudi LLC	Providing logistics services.	Riyadh, Saudi Arabia	100	100
48	Redserv Business Solutions Private Limited	Business process consulting and outsourcing.	Chennai, India	100	100
49	Redington Distribution Company	Distribution of information technology and telecommunication products.	Cairo, Egypt	99	100
50	Citrus Consulting Services FZ LLC	Providing hardware support and maintenance service.	Dubai, UAE	84.80	84.80
51	Arena Mobile Hizmetleri ve Turketici Elektronik Sanayi ve Ticaret A.S. (refer note (c) below)	Wholesale trade of mobile phones and other mobile devices.	Istanbul, Turkey	49.40	49.40
52	Online Elektronik Ticaret Hizmetleri A.S. (refer note (c) below)	Online electronics retail and market.	Istanbul, Turkey	49.40 (March 31, 2019: 44.46)	49.40 (March 31, 2019: 44.46)
53	Paynet (Kibris) Odeme Hizmetleri Limited (refer note (c) below)	Payment intermediation services.	Gazimagusa, Cyprus	49.40	49.40
54	Ensure Services Limited	Providing hardware support and maintenance services.	Cairo, Egypt	99	100
55	Redington Cote d'Ivoire SARL	Distribution of information technology and telecommunication products.	Abidjan, Cote d'Ivoire	100	100
56	Auroma Logistics Private Limited (refer note (d) below)	Primarily engaged in providing third party logistics solutions (3PL) comprising of warehouse management, handling of goods and transportation of goods.	India	100 (March 31, 2019: 90)	100 (March 31, 2019: 90)
57	Africa Joint Technical Services (refer note (g) below)	Providing hardware support and maintenance services.	Tripoli, Libya	65	100
58	Redington Angola Ltd. (refer note (g) below)	Distribution of information technology products, providing hardware support and maintenance services.	Luanda, Angola	100	100

Note:

- Although the holding is less than 50% of equity shares, the Group has the power over these companies, is exposed to or has rights to variable returns from its involvement in these Companies and has the ability to use its power over these Companies to affect its returns and therefore exercises effective control. Consequently, these entities are considered as the Company's subsidiaries and step-down subsidiaries and are consolidated.
- Yet to commence operations.
- Redington Turkey Holdings S.A.R.L (RTHS), Luxembourg has the power over these companies, is exposed to or has rights to variable returns from its involvement with these companies and has the ability to use its power over these companies to affect its returns (through control over the composition of the Board of Directors of Arena Bilgisayar Sanayi Ve Ticaret A.S. (Arena)). Consequently Arena and its subsidiaries are consolidated in the consolidated financial statements.
- During the year ended March 31, 2020, ProConnect Supply Chain Solutions Limited (ProConnect), a wholly-owned subsidiary had acquired an additional 12% stake in Rajprotim Supply Chain Solutions Limited and acquired additional 10% stake in Auroma Logistics Private Limited.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

- e. Merged with Arena Bilgisayar Sanayi Ve Ticaret A.S during the year.
- f. Liquidated during the year.
- g. Operations ceased during the financial year 2016-17.

C. Associate of the Company

Name of the Company	Country of incorporation	Ownership / Beneficial interest % (As at March 31, 2020 and March 31, 2019)
Redington (India) Investments Limited *	India	47.62

D. Subsidiary of Associate

Name of the Company	Country of incorporation	Ownership / Beneficial interest % (As at March 31, 2020 and March 31, 2019)
Currents Technology Retail (India) Limited *	India	47.62

* In line with Ind AS 28, loss absorbed till March 31, 2020 in the Consolidated financial statements is equivalent to the total investment of ₹ 0.10 Crores. The Group's proportionate share of total comprehensive income for the year ended March 31, 2020 is ₹ 13.43 Crores. The Group however did not record a proportionate share of total comprehensive income for the year ended March 31, 2020 given the accumulated unrecognized loss in line with equity method of accounting as at April 1, 2019 was ₹ 13.11 Crores which was adjusted against the share of total comprehensive income for the current year. In respect of the balance share of total comprehensive income of ₹ 0.32 Crores, the group carried out an impairment assessment of its investment in associate and determined that the investments were impaired. Therefore, the net share of profit for the year is NIL.

4. Summary of significant accounting policies

(a) Basis of Consolidation

The consolidated financial statements encompass the standalone financial statements of the Company and its subsidiaries for the year ended March 31, 2020. These consolidated financial statements have been prepared in accordance with Ind AS 110, "Consolidated financial statements". These consolidated financial statements also include results of an Associate and its subsidiary accounted under equity method as specified in the Ind AS 28 "Investments in Associates".

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.

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 Statement of Profit and Loss from the date the Company gains control until the date the Company ceases to control the subsidiary.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the Non-Controlling Interests (NCI) are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the NCI are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

When the Group 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.

The audited financial statements of the Company and all its subsidiaries used in preparing these Consolidated financial statements are drawn up to the same reporting date as that of the Company. The details of the financial statements used in preparing these consolidated financial statements are as follows:

NOTES to the Consolidated financial statements for the year ended March 31, 2020

- (i) Standalone financial statements of Redington (India) Limited, Ensure Support Services (India) Limited and consolidated financial statements of ProConnect Supply Chain Solutions Limited are prepared in accordance with Ind AS.
- (ii) Consolidated financial statements of Redington International Mauritius Limited is prepared in accordance with International Financial Reporting Standards (IFRS).
- (iii) Consolidated financial statements of Redington Distribution Pte Ltd and the standalone financial statements of Singapore branch of the Company are prepared in accordance with Singapore Financial Reporting Standards (SFRS).

The consolidated financial statements have been prepared using uniform accounting policies on the following basis:

- (i) The financial information of the Company and its subsidiaries has been combined on a line-by-line basis in respect of assets, liabilities, income and expenses. The financial statements of the overseas subsidiaries and branch have been converted from the accounting principles generally accepted in their respective countries to Ind AS.
- (ii) All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.
- (iii) With respect to the associate, the loss to the extent of cost of investment is written off and the investment is reported at NIL value in line with equity method of accounting in Ind AS 28. Where the Group's share of loss of the associate exceeds the Group's interest in associate, the Group discontinues recognizing the share of further losses.

(b) Business combinations

In accordance with Ind AS 103, the Group accounts for the business combinations using the acquisition method when control is transferred to the Group. 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 Other Comprehensive Income (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. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

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.

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 arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

(c) Non-controlling interests

Non-controlling interests that have 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.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

(d) Property, plant and equipment and Intangible assets

Property, plant and equipment

Property, plant and equipment except capital work-in-progress is stated at cost, net of accumulated depreciation and impairment losses, if any. Capital work-in-progress is stated at cost less any recognised impairment loss. Cost comprises of purchase price and other directly attributable cost of bringing the assets to its working condition for the intended use. 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 costs including repairs and maintenance costs are charged to the Consolidated Statement of Profit and Loss as and when incurred.

Gains or losses arising from disposal of property, plant and equipment are measured as the difference between the net proceeds from disposal and carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss.

Depreciation on property, plant and equipment

- (i) Depreciable amount of property, plant and equipment is the cost of an asset less its estimated residual value.
- (ii) Plant and equipment is depreciated over the estimated useful life, which is based on technical evaluation made by the Group considering various factors including expected usage of the asset, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and the residual value and is recognized in the Consolidated Statement of Profit and Loss. Freehold land is not depreciated. The estimated useful lives of items of property, plant and equipment are as follows:

Class of asset	Years
Buildings	10-20
Plant and equipment	5-10
Furniture and fixtures	4-10
Office equipment	4-8
Computers	1-5
Vehicle	3-5

- (iii) Depreciation on additions to assets is provided from the month of addition.
- (iv) Expenditure on leasehold improvements in respect of premises taken on lease (included in furniture and fixtures) are capitalized and depreciated over the shorter of its useful life or the lease term.
- (v) The estimated useful life, residual value and the depreciation method are reviewed at the end of each financial year.

Intangible assets

Intangible assets acquired outside of a business combination

Other Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses, if any.

The intangible assets, that are not yet ready for their intended use are carried at cost and are reflected under intangible assets under development. Direct costs associated in developing the intangible asset are capitalized when the following criteria are met

- It is technically feasible to complete the intangible asset so that it will be available for use,
- Management intends to complete the intangible asset and put it to use,
- There is ability to use the intangible asset,
- There is an identifiable asset that will generate expected future economic benefits and
- There is an ability to measure reliably the expenditure attributable to the intangible asset during its development.

Otherwise, it is recognised in profit and loss as incurred

NOTES to the Consolidated financial statements for the year ended March 31, 2020

Intangible assets are amortised over the estimated useful lives, using straight line method. The estimated useful lives are as follows:

Class of asset	Years
Software	3-5
Trademark / Brand	5

The estimated useful life of the intangible assets, residual value and the amortisation method are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Consolidated Statement of Profit and Loss when the asset is de-recognized.

Intangible assets acquired in a business combination

Intangible assets that are acquired in a business combination are recognized separately from goodwill and are initially recognized 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.

Intangible assets are amortised over the estimated useful lives, using straight line method. The estimated useful lives are as follows:

Class of Asset	Years
Trade name	Indefinite
Customer relationship	7-8
Contract based intangible assets	5

An intangible asset with indefinite useful life is not amortised and is tested for impairment annually.

The estimated useful life of the intangible assets, residual value and the amortisation method are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

An intangible asset is de-recognized on disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Consolidated Statement of Profit and Loss when the asset is de-recognized.

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 (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.

For consolidation purposes, goodwill is stated at the closing rates as on a particular reporting date in accordance with Ind AS 21, The Effects of Changes in Foreign Exchange Rates.

Impairment of Property, plant and equipment, Intangible assets and Goodwill

Property, plant and equipment, Intangible assets and Goodwill 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.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

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).

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 Consolidated 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 Group 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.

Goodwill and 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.

(e) Leases

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

Policy applicable from April 1, 2019

At inception of a contract, the Group 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 of an identified asset, the Group uses the definition of a lease in Ind AS 116.

This policy is applied to contracts entered into, on or after April 1, 2019.

As a lessee

The Group 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 Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group 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 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 Group's incremental borrowing rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a 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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. 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 Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group 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 Group presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

Short-term leases

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

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group 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 Group 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 Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group 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 Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group applies de-recognition and impairment requirements under Ind AS 109 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other income' or 'Revenue from operations'.

Generally, the accounting policies applicable to the Group 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.

Policy applicable before April 1, 2019 in accordance with Ind AS 17

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of

NOTES to the Consolidated financial statements for the year ended March 31, 2020

their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Operating lease

Leases, where the lessor effectively retains substantially all the risks and rewards incidental to ownership of the leased item are classified as operating leases. Payments under operating leases are recognized in the Consolidated Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor inflationary cost increase.

Finance lease

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Group's Consolidated Balance Sheet. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(f) Inventories

Inventories are measured at the lower of cost and the net realizable value. Costs include cost of purchase and other costs incurred in bringing the inventories to the present location and condition, net of discounts and rebates and is determined on a weighted average basis. Net realizable value represents the estimated selling price of inventories in the ordinary course of business, less the estimated costs necessary to make the sale.

(g) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies 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 recognized in Consolidated Statement of Profit and Loss.

(ii) Foreign operations

The assets and liabilities of foreign operations (subsidiaries and branch) including goodwill and fair value adjustments arising on acquisition, are translated into Indian Rupees, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees 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.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to non-controlling interest (NCI). When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to Consolidated Statement of Profit and Loss.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

(h) Revenue recognition

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue from sale of products or services is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

Revenue from sale of services is recognised over the 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 also excludes taxes collected from customers.

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 has assessed its revenue arrangements based on the substance of the transaction and business model against specific criteria to determine if it is acting as principal or agent.

(i) Other income

Rental income under operating leases is recognized in the Consolidated Statement of Profit and Loss on a straight line basis over the term of the lease.

Interest income is recognized using effective interest rate method. Interest income on overdue receivables is recognized only when there is a certainty of receipt.

Dividend income from short-term investments is accounted when right to receipt is established.

(j) 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 cash bonus, if the Group 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) 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 calculation of defined benefit obligation is determined annually by a qualified actuary using the projected unit credit method as at each balance sheet date. Re-measurement of defined benefit obligation, which comprises of actuarial gains and losses are recognized in the other comprehensive income for the period in which they occur. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expenses related to defined benefit plan are recognised in finance cost in the Consolidated Statement of Profit and Loss.

(iii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company and its Indian subsidiaries make 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 Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by the employees.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

With respect to overseas subsidiaries, contributions are made under respective statutory laws prevailing in various geographies relating to employee benefits, including provident fund and is charged to the Consolidated Statement of Profit and Loss as and when services are rendered by the employees.

(iv) Long-term employee benefits

The obligation of the Company and its Indian subsidiaries 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. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method as at each balance sheet date.

(k) Employee share based payments

Equity-settled share-based payments are measured at the fair value on the grant date and are recognised as an employee benefits expense in the Consolidated Statement of Profit and Loss 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.

(l) Warranties

The Group's Original Equipment Manufacturer ("OEM") 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 hence management considers that any provision for warranties or claims is not required.

(m) Taxation

Current and deferred tax

Income tax expense comprises current tax expense and the net change in deferred tax asset or liability during the year. Current and deferred taxes are recognised in the Consolidated Statement of Profit and 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.

Current tax comprises of 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.

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. Deferred tax liabilities are generally recognised 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 utilised.

The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

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. In addition, deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

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 realized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates 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.

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.

(n) Provisions, Contingent liabilities

Provisions are recognized 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 will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Contingent liability is disclosed for all:

- Possible obligations 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)
- 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.

(o) Segment reporting

"Operating Segments" reported are in a manner consistent with internal reporting made to the undersigned Managing Director who is the Chief Operating Decision Maker for the Group.

The reported operating segments

- Engage in business activities from which the Group 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

(p) 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.

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

(q) Cash Flow Statement

Cash flows are reported using the indirect method, whereby consolidated 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 item of income or expenses associate with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated based on the nature of the transactions.

(r) Earnings per share

Basic earnings per share is computed by dividing the consolidated profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the consolidated profit or loss attributable to equity shareholders of the Company as adjusted for dividend, interest and other charges (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic

NOTES to the Consolidated financial statements for the year ended March 31, 2020

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 ordinary 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.

(s) Dividend to shareholders

Final dividend distributed to equity shareholders is recognised in the period in which it is approved by the members of the Company in the Annual General Meeting. Interim dividend is recognised when approved by the Board of Directors at the Board Meeting. Both final dividend and interim dividend are recognised in the Consolidated Statement of Changes in Equity.

(t) Derivative financial instruments

The Company and its Indian subsidiaries uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. No derivative financial instruments are used for speculative purposes. Forward contracts are initially recognised at fair value on the date the contract is entered into and are subsequently re-measured to at fair value at each reporting date. The resulting gain or loss is recognised in Consolidated Statement of Profit and Loss.

(u) Fair value measurement

Some of the Group's accounting policies and disclosures require the measurement of fair values, 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 measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The Group 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:

- 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)

When measuring the fair value of an asset or a liability, the Group 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.

The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Group 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.

(v) 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 capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

(w) 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 Group 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 Consolidated Statement of Profit and Loss.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost
- Fair value through profit and loss

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.

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 companies in the Group 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 at FVTPL - These are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Consolidated 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 the Consolidated Statement of Profit and Loss. Any gain or loss on de-recognition is recognised in Consolidated Statement of Profit and Loss.

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

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 the Consolidated Statement of Profit and Loss.

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 the Consolidated Statement of Profit and Loss.

De-recognition

Financial assets

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or 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 a transaction where neither there is a transfer nor retention of substantial risks and rewards of ownership and the Group does not retain control of the financial asset.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

The transaction whereby, assets recognised in the Consolidated Balance Sheet are transferred, but either all or substantially all of the risks and rewards of the transferred assets are retained, the transferred assets are not de-recognised.

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 recognised as gain or loss in the Consolidated Statement of Profit and Loss.

Financial liabilities

Financial liability is de-recognised when its contractual obligations are discharged or cancelled, or expire. 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 Consolidated Statement of Profit and Loss.

Financial liability is also de-recognised 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 the Consolidated Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and net amount presented in the Consolidated Balance Sheet when, and only when the Group 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 Group recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group 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 Group measures loss allowance at an amount equal to lifetime expected credit losses except for bank balances which are measured as 12 months 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 expected credit losses is a portion of the expected credit loss 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 recognised in the Consolidated 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 a financial assets is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

(x) **Non-current assets held for sale**

Non-Current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than continuing use and are measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held-for-sale these assets are no longer depreciated.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

₹ in Crores

5. (a) Property, plant and equipment

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value			
	As at April 1, 2019	Additions	Acquisitions through business combination*	Deletions (including assets classified as Right-of-use assets)	Translation adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Deletions (including assets classified as Right-of-use assets)	Translation adjustments	As at March 31, 2020	As at March 31, 2019
Land												
Current year	17.85	-	-	-	-	17.85	-	-	-	-	17.85	17.85
Previous year	17.85	-	-	-	-	17.85	-	-	-	-	17.85	17.85
Buildings**												
Current year	94.72	0.01	-	0.12	4.40	99.01	22.24	5.75	0.05	2.05	69.02	72.48
Previous year	91.88	0.31	-	0.14	2.67	94.72	15.82	5.53	0.11	1.00	72.48	76.06
Plant and Equipment												
Current year	40.15	8.73	-	12.36	2.23	38.75	18.10	4.50	1.17	1.67	15.65	22.05
Previous year	22.62	16.76	0.23	0.58	1.12	40.15	11.37	6.33	0.41	0.81	18.10	11.25
Furniture and Fixtures												
Current year	62.20	8.55	-	4.48	10.66	76.93	26.67	11.22	3.41	8.18	34.27	35.53
Previous year	62.09	8.73	0.09	15.60	6.89	62.20	24.87	10.38	13.79	5.21	35.53	37.22
Office Equipment												
Current year	43.26	2.58	-	2.62	5.93	49.15	26.88	5.16	1.78	5.12	13.77	16.38
Previous year	38.15	3.59	0.60	2.72	3.64	43.26	20.40	5.74	2.26	3.00	16.38	17.75
Computers												
Current year	45.67	10.75	-	5.74	2.79	53.47	30.53	9.10	4.55	2.30	16.09	15.14
Previous year	39.89	8.93	0.02	4.88	1.71	45.67	22.64	10.56	3.89	1.22	15.14	17.25
Vehicles												
Current year	12.51	3.43	-	3.32	0.87	13.49	5.07	2.86	2.63	0.73	7.46	7.44
Previous year	13.87	3.08	0.10	5.27	0.73	12.51	5.26	2.85	3.63	0.59	7.44	8.61
Tangible assets- Total												
Current year	316.36	34.05	-	28.64	26.88	348.65	129.49	38.59	13.59	20.05	174.54	186.87
Previous year	286.35	41.40	1.04	29.19	16.76	316.36	100.36	41.39	24.09	11.83	129.49	185.99

*Refer note 43

** Buildings include 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 March 31, 2020

Assets under finance leases under Ind AS 17

During the previous financial year, ProConnect had acquired a set of warehouse racks amounting to ₹ 6.12 Crores under a finance lease arrangement. The lease provides the subsidiary with an option to purchase the warehouse racks at the end of the lease term.

The gross and net carrying amounts of assets acquired under finance lease are as below.

Particulars	₹ in Crores				
	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Total
Cost					
As at March 31, 2019	4.60	0.60	0.23	0.92	6.35
Accumulated depreciation					
As at March 31, 2019	(0.35)	(0.09)	(0.06)	(0.07)	(0.57)
Net carrying amount					
As at March 31, 2019	4.25	0.51	0.17	0.85	5.78

The above assets acquired under finance leases are classified as Right-of-use assets in the current year upon adoption of Ind AS 116.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

₹ in Crores

Particulars	Gross carrying value					Accumulated amortisation					Net carrying value		
	As at April 1, 2019	Additions	Acquisitions through business combination*	Deletions	Translation adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Deletions	Impairment loss	Translation adjustments	As at March 31, 2020	As at March 31, 2019
Software													
Current year	87.45	55.87	-	2.49	10.91	151.74	53.85	24.31	2.44	-	8.43	84.15	33.60
Previous year	57.79	24.68	-	-	4.98	87.45	30.59	19.83	-	-	3.43	53.85	27.20
Non-competee fees													
Current year	2.93	-	-	-	-	2.93	2.93	-	-	-	-	2.93	-
Previous year	2.93	-	-	-	-	2.93	2.93	-	-	-	-	2.93	-
Trade name (refer note 40)													
Current year	234.10	-	-	-	22.03	256.13	50.93	-	-	-	4.79	55.72	183.17
Previous year	220.63	-	-	-	13.47	234.10	-	-	-	51.04	(0.11)	50.93	220.63
Customer relationship													
Current year	34.79	-	-	-	1.86	36.65	8.98	4.07	-	0.94	2.93	15.04	25.81
Previous year	18.55	-	15.01	-	1.23	34.79	7.30	1.14	-	-	0.54	8.98	11.25
Contract based intangible assets													
Current year	8.64	-	-	-	-	8.64	5.82	1.56	-	-	-	7.38	2.82
Previous year	8.62	0.02	-	-	-	8.64	4.82	1.00	-	-	-	5.82	3.80
Trademark / Brand													
Current year	-	0.80	-	-	-	0.80	-	-	-	-	-	-	0.80
Previous year	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets- Total													
Current year	367.91	56.67	-	2.49	34.80	456.89	122.51	29.94	2.44	0.94	16.15	165.22	291.67
Previous year	308.52	24.70	15.01	-	19.68	367.91	45.64	21.97	-	51.04	3.86	122.51	245.40

*Refer note 43.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

5. (c) Carrying amounts of intangible assets with finite and indefinite useful lives are as follows:

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
With finite useful life	91.26	62.23
With indefinite useful life	200.41	183.17
Total	291.67	245.40

5. (d) Intangible assets under development as at March 31, 2019 primarily represents the cost incurred towards the implementation of a new ERP system (SAP), including the cost of license. These costs are capitalized as intangible assets in FY 2019-20 on implementation of the new ERP system (SAP).

6. Goodwill

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	22.03	21.27
Add: Additions through business combinations (refer note 43)	-	19.34
Less: Impairment loss (refer note 40)	(3.74)	(20.02)
Add: Currency translation adjustment	0.09	1.44
Balance at the end of the year	18.38	22.03

Goodwill is tested for impairment for the following cash-generating units to which such goodwill has been allocated on annual basis and is not amortised.

The below table gives the breakup of goodwill for the respective cash-generating units.

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Linkplus Bilgisayar Sistemleri Sanayi ve Ticaret A.S. ("Linkplus")	2.64	2.69
Auroma Logistics Private Limited ("Auroma")*	15.74	19.34
Total	18.38	22.03

*refer note 43

The recoverable amount of the cash-generating units (goodwill and trade name) related to Linkplus and Auroma 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 1.5% (Previous year: 3%) for Linkplus and 5% (Previous year: 5%) for Auroma is applied, at a weighted average cost of capital of 20.67% (Previous year: 30.86 %) for Linkplus and 18% (Previous year: 21%) for Auroma per annum.

Set out below is a sensitivity analysis on the total impairment loss for the year ended March 31, 2019 related to Arena, Linkplus and Auroma, if the following factors have been increased or decreased by 0.5% and all other variables were constant. A similar sensitivity analysis for the year ended March 31, 2020 has not been presented in these consolidated financial statements as the impairment loss for the year is not significant.

Particulars	₹ in Crores	
	Increase in rate	Decrease in rate
Revenue growth rate	50.06	84.10
Discount rate	92.83	48.64
Terminal growth rate	70.04	72.67

NOTES to the Consolidated financial statements for the year ended March 31, 2020

7. Income taxes

The Group is subject to taxation in India, South Asia and some of the Middle East and African regions. The income tax rates of the entities of the Group ranges between 14% and 28%.

(a) Income tax expense recognised during the year

₹ in Crores

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Recognised in the Statement of Profit and Loss	Recognised in the other comprehensive income	Recognised in the Statement of Profit and Loss	Recognised in the other comprehensive income
Current tax	141.99	-	157.55	-
Deferred tax	16.37	(0.17)	(18.68)	(1.16)
Total	158.36	(0.17)	138.87	(1.16)

(b) Movement in income taxes (assets)

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Balance at the beginning of the year (net)	105.12	57.52
Less: Provision during the year	(4.62)	(97.10)
Add: Taxes paid (net of refund received)	47.43	144.70
Balance at the end of the year (net)	147.93	105.12

(c) Movement in income taxes (liabilities)

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Balance at the beginning of the year (net)	32.44	26.21
Add: Provision during the year	137.37	60.45
Less: Taxes paid (net of refund received)	(80.50)	(56.30)
Currency translation adjustment	4.23	2.08
Balance at the end of the year (net)	93.54	32.44

(d) Reconciliation of effective tax rate

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax (a)	692.28	623.34
Enacted tax rate in India # (b)	25.17%	34.94%
Income tax expense (a*b)	174.25	217.79
Effect of differences in tax rates of subsidiaries operating in other jurisdictions	(93.08)	(114.00)
Effect of exempted income	(2.55)	(5.34)
Effect of Chapter VIA deduction of Income-tax Act, 1961	(0.73)	(1.00)
Effect of tax incentives	(5.60)	(5.66)
Effect of non-deductible expense	27.50	9.83
Impact of change in tax rates	4.69	(0.06)
Changes in estimates related to prior years	(0.16)	11.85
Current year losses, for which no deferred tax was recognised (refer note 8)	4.66	-
Unrecognised temporary differences (refer note 8)	8.74	-
Others	40.64	25.46
Income tax expense recognized in profit and loss	158.36	138.87

NOTES to the Consolidated financial statements for the year ended March 31, 2020

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

8. Deferred taxes

Break-up of recognized deferred tax assets and movements in temporary differences

(a) For the year ended March 31, 2020

₹ in Crores						
Particulars	Balance at the beginning of the year	Recognised in the Statement of Profit and Loss	Recognised in the other comprehensive income	Amounts recorded directly in equity upon adoption of Ind AS 116*	Currency translation adjustment	Balance at the end of the year
Deferred tax assets						
Allowance for doubtful trade receivables and other financial assets	24.04	(9.49)	-	-	0.39	14.94
Gratuity	8.35	(1.12)	0.17	-	0.11	7.51
Compensated absences	2.04	1.45	-	-	-	3.49
Property, plant and equipment and other intangible assets	1.37	(2.35)	-	-	(0.03)	(1.01)
Right-of-use assets / lease liabilities	-	(2.34)	-	2.58	-	0.24
Others	4.34	0.81	-	-	(0.37)	4.78
Total	40.14	(13.04)	0.17	2.58	0.10	29.95

*Refer note 2 (f) (iii)

(b) For the year ended March 31, 2019

₹ in Crores						
Particulars	Balance at the recognized of the year	Recognised in the Statement of Profit and Loss	Recognised in the other comprehensive income	Acquisitions through Business combination*	Currency translation adjustment	Balance at the end of the year
Deferred tax assets						
Allowance for doubtful trade receivables	11.14	12.83	-	-	0.07	24.04
Gratuity	7.24	(0.14)	1.16	-	0.09	8.35
Compensated absences	1.46	0.38	-	0.20	-	2.04
Property, plant and equipment and other intangible assets	2.76	(0.94)	-	0.03	(0.48)	1.37
Others	2.50	1.85	-	-	(0.01)	4.34
Total	25.10	13.98	1.16	0.23	(0.33)	40.14

* Refer note 43

NOTES to the Consolidated financial statements for the year ended March 31, 2020

Break-up of deferred tax liabilities and movements in temporary differences

(a) For the year ended March 31, 2020

₹ in Crores

Particulars	Balance at the beginning of the year	Recognised in the Statement of Profit and Loss	Currency translation adjustment	Balance at the end of the year
Gratuity	(1.67)	1.67	-	-
Property, plant and equipment and other intangible assets	4.48	(4.48)	-	-
Others	(1.28)	6.14	0.04	4.90
Total	1.53	3.33	0.04	4.90

(b) For the year ended March 31, 2019

₹ in Crores

Particulars	Balance at the beginning of the year	Recognised in the Statement of Profit and Loss	Currency translation adjustment	Acquisitions through Business combination	Balance at the end of the year
Gratuity	-	(1.67)	-	-	(1.67)
Property, plant and equipment and other intangible assets	-	0.11	-	4.37	4.48
Others	1.49	(3.14)	0.37	-	(1.28)
Total	1.49	(4.70)	0.37	4.37	1.53

Unrecognised deferred tax assets

Consequent to the sale of the Company's investment in its wholly-owned subsidiary Easyaccess Financial Services Limited in FY 2013-14 and a land at Delhi in FY 2017-18, there was a Long Term Capital loss, under Income Tax Act, 1961, which resulted in deferred tax asset of ₹ 15.39 Crores. Out of this, ₹ 2.49 Crores was recognized against realized long term capital gain in an earlier year. The balance Deferred Tax Asset of ₹ 12.90 Crores will be recognized as and when there is a long term capital gain. These unrecognized deferred tax asset will expire over a period of 2- 6 years.

Also, during the year ended March 31, 2020, deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available in one of the subsidiaries:

Particulars	March 31, 2020	March 31, 2019
Deductible temporary differences (refer note 7 (d))	8.74	-
Tax losses (refer note 7 (d))	4.66	-
Total	13.40	-

Unrecognised deferred tax liabilities

As at March 31, 2020, deferred tax liability in respect of temporary differences related to investments in subsidiary has not been recognized as the Company controls the dividend policy of its subsidiaries i.e. the Group controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

9. Other non-current assets

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Unsecured and considered good		
Capital advances	0.37	0.29
Receivable from Government authorities	75.83	86.14
Others	2.36	2.59
Total	78.56	89.02

10. Inventories

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Trading stocks (net)	3,458.99	3,562.28
Goods in transit	161.99	243.43
Service spares (net)	51.78	53.46
Total	3,672.76	3,859.17

Also refer note 20 (a).

11. Trade receivables

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Unsecured		
Considered good	7,032.00	6,278.56
Considered doubtful/Credit impaired	162.56	187.04
	7,194.56	6,465.60
Less: Allowance for doubtful trade receivables	(162.56)	(187.04)
Total trade receivables	7,032.00	6,278.56
Of the above, amount receivable from related parties (refer note 37)	0.05	14.23

Also refer note 20 (a).

12. (a) Cash and cash equivalents

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Cash on hand	1.87	18.34
Balance in current accounts	1,898.47	721.56
Short-term deposits*	443.20	126.74
Cash and cash equivalents as per Consolidated Balance Sheet	2,343.54	866.64
Less: Bank overdrafts used for cash management purposes	(64.24)	(50.53)
Cash and cash equivalents as per the Consolidated Statement of Cash Flows	2,279.30	816.11

* Short-term deposits have an original maturity period of 3 months or less

NOTES to the Consolidated financial statements for the year ended March 31, 2020

(b) Other bank balances

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
(i) In deposit accounts	23.65	1.49
(ii) In earmarked accounts		
a. Margin money with banks*	9.69	8.96
b. Unclaimed dividend	0.20	0.10
Total	33.54	10.55

* Margin money with banks represents deposits pertaining to a wholly-owned subsidiary, Redington International Mauritius Limited (RIML), held by banks against letters of guarantee issued by them.

13. Loans

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Unsecured, considered good		
Loans to related parties		
Currents Technology Retail (India) Limited	6.90	32.00
Less: Loss allowances	(6.90)	-
	-	32.00
Secured, considered good		
Loans to body corporates	2.00	12.00
	2.00	12.00
Secured, considered doubtful		
Loans to body corporates	10.00	-
Less: Loss allowances*	(10.00)	-
	-	-
Total	2.00	44.00

*The Company's subsidiary ProConnect Supply Chain Solutions Limited ('ProConnect') has given ₹ 12 crores as loan to Rajprotim Agencies Private Limited ('RAPAL'). ProConnect has carried out recoverability assessment on the balances receivable from RAPAL, vendor for Rajprotim Supply Chain Solutions Limited ('RCS'), subsidiary of ProConnect. Based on such assessment, the management has recorded ₹ 11.89 Crores as provision for the loans given to RAPAL. The gross amount receivable from RAPAL amounts to ₹ 13.97 Crores (including interest accrued - refer note 14). The remaining amount of the loan is secured by 89% shares of RAPAL held by Mr. Partha Banerjee and the land held by RAPAL. The management is in the process of taking necessary steps to recover the balances from RAPAL.

The above loans are given for working capital purposes.

Particulars of maximum amount of loans and advances given by the Company, outstanding at any time during the year (disclosed pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Currents Technology Retail (India) Limited	32.00	32.00
Total	32.00	32.00

NOTES to the Consolidated financial statements for the year ended March 31, 2020

14. Other financial assets

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Current		
Unsecured, considered good		
Deposits	20.70	29.96
Current maturities of finance lease receivable	0.83	0.85
Derivative financial asset (refer note 34)	22.23	-
Vendor receivables	114.85	115.01
Interest accrued but not due (refer note 13)	1.97	-
Less: Provision for interest receivable (refer note 13)	(1.89)	-
Others	50.93	118.40
Less: Provision for doubtful receivables	(9.95)	-
Total	199.67	264.22
Non-current		
Unsecured, considered good		
Deposits	16.23	20.23
Finance lease receivable	3.76	4.59
Others	0.25	0.90
Total	20.24	25.72

Finance lease receivable as at March 31, 2020 is as follows:

Particulars	₹ in Crores		
	Future minimum lease payments (MLP)	Interest element of MLP	Present value of MLP
Within one year	1.38	0.55	0.83
Between one and five years	4.31	1.25	3.06
More than five years	0.74	0.04	0.70
Total	6.43	1.84	4.59

Finance lease receivable as at March 31, 2019 is as follows:

Particulars	₹ in Crores		
	Future minimum lease payments (MLP)	Interest element of MLP	Present value of MLP
Within one year	1.46	0.61	0.85
Between one and five years	4.60	1.63	2.97
More than five years	1.82	0.20	1.62
Total	7.88	2.44	5.44

15. Investments

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Mutual funds, unquoted at FVTPL		
ICICI Prudential Money Market Fund - Direct Plan-Growth	-	7.03
Total (refer note 34)	-	7.03

NOTES to the Consolidated financial statements for the year ended March 31, 2020

16. Other current assets

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Unsecured, considered good		
Interest accrued on bank deposits	-	0.27
Advances to employees	4.49	2.75
Prepayments	43.18	51.40
Receivable from Government authorities	138.78	211.42
Advances to suppliers	158.07	39.67
Others	25.63	32.87
Unsecured, considered doubtful		
Others	20.69	-
Less: Provision for doubtful trade advances (included in other expenses)	(20.69)	-
Total	370.15	338.38

17. Equity share capital

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Authorized capital 425,000,000 (previous year: 425,000,000) equity shares of ₹ 2/- each	85.00	85.00
Issued, subscribed and fully paid up 389,087,750 (previous year: 389,081,315) equity shares of ₹ 2/- each fully paid up	77.82	77.82
Total	77.82	77.82

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

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	389,081,315	77.82	400,172,685	80.03
Allotment of shares under Employee Stock Option Plan, 2008 during the year	6,435	^	28,630	0.01
Shares extinguished on Buy-back (refer note 45)	-	-	(11,120,000)	(2.22)
Outstanding at the end of the year	389,087,750	77.82	389,081,315	77.82

^ Represents value less than ₹ 1 lakh

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.

Equity share movement during 5 years preceding March 31, 2020

11,120,000 equity shares of ₹ 2 each were extinguished on buy-back by the company pursuant to a Letter of Offer made to all eligible shareholders of the company at ₹ 125 per equity share. The equity shares bought back were extinguished on December 7, 2018

NOTES to the Consolidated financial statements for the year ended March 31, 2020

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

Particulars	March 31, 2020	
	No. of shares held	% of Share holding
Synnex Mauritius Limited	94,295,940	24.24
Marina IV (Singapore) Pte.Ltd	39,425,695	10.13
HDFC Trustee Company Limited	35,990,019	9.26
ICICI Prudential Life Insurance Company	- ^	- ^
Franklin Templeton Investment Funds	- ^	- ^

^ Represents holding less than 5% and hence not disclosed

Particulars	March 31, 2019	
	No. of shares held	% of Share holding
Synnex Mauritius Limited	94,295,940	24.24
Marina IV (Singapore) Pte.Ltd	39,425,695	10.13
HDFC Trustee Company Limited	35,135,559	9.03
ICICI Prudential Life Insurance Company	21,577,719	5.55
Franklin Templeton Investment Funds	20,045,105	5.15

Shares reserved for issue under Employee Stock Option Plan, 2008 and Stock Appreciation Right Scheme, 2017:

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	₹ in Crores	Number of shares	₹ in Crores
a. Employee Stock Option Plan, 2008	-	-	19,095	0.01
b. Stock Appreciation Right Scheme, 2017	8,681,681	1.74	8,681,681	1.74

Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt and equity (equity includes non-controlling interest and excludes Goodwill). Over the years, parity has been maintained between net debt and equity. The ratio of net debt to equity at the end of the year is as follows:

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Debt- Current	2,537.48	1,282.86
Debt- Non-current	-	24.54
Less: Cash and cash equivalents and other bank balances	2,377.08	877.19
Net debt (a)	160.40	430.21
Total equity	4,690.12	4,250.65
Less: Goodwill	(18.38)	(22.03)
Adjusted equity (b)	4,671.74	4,228.62
Net debt / equity ratio (a/b)	0.03	0.10

NOTES to the Consolidated financial statements for the year ended March 31, 2020

18. Other equity

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
(a) Securities premium		
Opening balance	220.76	357.31
Add: Premium on allotment of shares under Employee Stock Option Plan, 2008 issued during the year	0.05	0.23
Less: Premium on buyback of shares during the year (refer note 45)	-	(136.78)
Balance at the end of the year	220.81	220.76

Securities premium is used to record the premium received on issue of shares.

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
(b) Capital reserve		
Opening balance	71.44	71.44
Balance at the end of the year	71.44	71.44

Capital reserve represents the excess of book value of net assets over the purchase consideration paid for entities.

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
(c) Statutory reserves		
Opening balance	0.92	0.92
Balance at the end of the year	0.92	0.92

Statutory reserves are reserves required by the local laws of the countries where certain overseas subsidiaries are established. Statutory reserves are created by allocating a certain mandated percentage of the profits for the year. These reserves are not distributable except as provided by the relevant country's law in which such subsidiaries operate.

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
(d) Capital redemption reserve		
Opening balance	2.22	-
Transfer from general reserve (refer note 45)	-	2.22
Balance at the end of the year	2.22	2.22

During the year ended March 31, 2019, Capital redemption reserve was created to the extent of the nominal value of the share capital extinguished on buyback of Company's purchase of its own shares in accordance with Section 69 of the Companies Act, 2013.

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
(e) Foreign currency translation reserve		
Opening balance	363.99	241.12
Movement during the year	253.52	122.87
Balance at the end of the year	617.51	363.99

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
(f) General reserve		
Opening balance	107.39	109.61
Add: Transfer to capital redemption reserve	-	(2.22)
Balance at the end of the year	107.39	107.39

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
(g) Re-measurement of defined benefit obligation		
Opening balance	(10.13)	(8.00)
Movement during the year	(7.95)	(2.13)
Balance at the end of the year	(18.08)	(10.13)

Retirement Benefit Obligation reserve represents accumulated balances of actuarial gains/(losses), arising out of employee defined benefit obligation and will not be subsequently reclassified to Consolidated Statement of Profit and Loss. This reserve is not a distributable reserve.

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
(h) Surplus in the Consolidated Statement of Profit and Loss		
Opening balance	3,050.10	2,673.37
Less: Adjustment on initial application of Ind AS 116 (net of taxes) (refer note 2 (f) (iii))	(10.52)	-
Adjusted opening balance	3,039.58	2,673.37
Add: Profit for the year	515.21	507.78
Less: Buy-back of shares (including expenses relating to buy-back) (refer note 45)	-	(2.29)
Less: Final / Interim dividend paid (including dividend distribution tax paid net of dividend distribution tax credit)	(352.97)	(113.14)
Less: Dividend paid to non-controlling interest	-	(4.31)
Less: Acquisition of non-controlling interest (refer note 19)	(5.23)	(4.95)
Less: Forward contract entered with non-controlling interests	-	(6.36)
Balance at the end of the year	3,196.59	3,050.10

The above reserve represents profits generated and retained by the Group post distribution of dividends to the equity shareholders in the respective years. This reserve can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013 and other local laws.

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
(i) Stock compensation reserve		
Opening balance	21.47	4.76
Stock compensation expense	10.76	16.71
Balance at the end of the year	32.23	21.47

The above reserve relates to Stock Appreciation Rights (SARs) granted by the Company to its employees and directors of the Company and its subsidiaries, under the Redington Stock Appreciation Right Scheme, 2017. Further information about SAR scheme is set out in note 42.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

19. Non-controlling interests

The below table summarises the details relating to each of the Group's subsidiaries that have non-controlling interests before intra-group eliminations:

₹ in Crores

Name of Subsidiary	Proportion of ownership interests held by non-controlling interests (%)		Profit (Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2019-20	2018-19	2019-20	2018-19	March 31, 2020	March 31, 2019
Arena Bilgisayar Sanayi ve Ticaret A.S	50.60	50.60	20.92	(24.48)	382.13	337.48
Citrus Consulting Services FZ- LLC	15.20	15.20	(0.72)	0.01	(0.86)	(0.08)
Rajprotim Supply Chain Solutions Limited*	-	12.00	(1.85)	1.05	-	3.78
Auroma Logistics Private Limited*	-	10.00	0.36	0.11	-	3.49
Total			18.71	(23.31)	381.27	344.67

*NCI acquired by ProConnect during the year March 31, 2020

The below is the recognized consolidated financial information of subsidiary with material non- controlling interest (Arena) before intra-group eliminations.

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Current assets	1,424.69	1,316.74
Non-current assets	33.94	16.56
Current liabilities	869.43	840.25
Non-current liabilities	29.63	3.96
Equity attributable to the shareholders of Arena	559.57	489.54

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue	4,225.36	3,049.88
Non-controlling interest	-	(0.45)
Profit for the year attributable to equity holders of Arena	41.00	4.32
Profit / (Loss) for the year attributable to non-controlling interest	0.18	(0.76)
Total comprehensive income / (loss) attributable to equity holders of Arena	35.65	(7.14)
Total comprehensive income / (loss) attributable to non-controlling interest	0.46	(0.77)
Total comprehensive income	36.11	(7.91)
Net cash from operating activities	81.49	33.62
Net cash (used in) investing activities	(10.37)	(3.41)
Net cash from / (used in) financing activities	70.80	(45.29)

NOTES to the Consolidated financial statements for the year ended March 31, 2020

20. Borrowings

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Current		
Secured		
Loans from banks (refer note a)	1,672.22	648.76
Finance lease obligations (refer note b)	-	1.66
Unsecured		
Loans from banks	460.19	215.20
Loans from others	10.79	21.33
Commercial paper (refer note c)	394.28	395.91
Total	2,537.48	1,282.86
Non-current		
Secured		
Loans from banks (refer note a)	-	15.94
Long term maturities of finance lease (refer note b)	-	8.60
Total	-	24.54

Summary of borrowing arrangements

- (a) (i) The Company has availed loans from banks which are secured by pari-passu charge on inventories and trade receivables, both present and future. The loan is repayable on demand.
- (ii) Loans availed by the Company's Indian subsidiary (ProConnect) from banks are secured by a pari-passu charge on all receivables / book debts of ProConnect.
- (iii) Loans availed by the respective overseas subsidiaries from banks are secured by assignment of insurance policies over inventories on a pari-passu basis of the respective overseas subsidiaries.
- (b) Finance lease obligations are as follows:

During the year ended March 31, 2020, finance lease obligations were reclassified as lease liabilities upon adoption of Ind AS 116.

As at March 31, 2019 is as follows:

Particulars	₹ in Crores		
	Future minimum lease payments (MLP)	Interest element of MLP	Present value of MLP
Within one year	2.56	0.90	1.66
Between one and five years	10.24	1.64	8.60
More than five years	-	-	-
Total	12.80	2.54	10.26

- (c) Commercial paper is unsecured and the maximum amount outstanding at any time during the year was ₹ 1,583.84 Crores (previous year: ₹ 1,900 Crores). The Company's commercial papers were listed on the bourses of BSE Ltd during the financial year. The funds raised from the commercial paper were recognized for working capital purposes.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

Movement in bank borrowings for the year ended March 31, 2020

Particulars	₹ in Crores				
	Loans from banks	Loans from others	Commercial paper	Finance lease obligations	Total
Balance at the beginning of the year					
- Included under borrowings (refer note 20)	879.90	21.33	395.91	10.26	1,307.40
- Included under other financial liabilities (refer note 23)*	3.85	-	-	-	3.85
Details of borrowings with a maturity of over 90 days					
Loans availed during the year	663.71	6.41	98.56	-	768.68
Repayments made during the year	(905.58)	(18.72)	-	-	(924.30)
Details of borrowings with a maturity of 90 days or less					
Loans availed during the year	15,206.25	10.67	6,723.67	-	21,940.59
Repayments made during the year	(13,835.96)	(10.67)	(6,823.86)	-	(20,670.49)
Net loans availed during the year	1,370.29	-	(100.19)	-	1,270.10
Movement in bank overdrafts[^]	17.26	-	-	-	17.26
Finance costs	122.90	7.37	68.18	-	198.45
Interest paid	(135.79)	(4.09)	(68.18)	-	(208.06)
Finance lease obligations reclassified to lease liabilities upon adoption Ind AS 116	-	-	-	(10.26)	(10.26)
Effects of changes in foreign exchange rates	119.46	(1.51)	-	-	117.95
Balance at the end of the year					
- Included under borrowings (refer note 20)	2,132.41	10.79	394.28	-	2,537.48
- Included under other financial liabilities (refer note 23)	3.59	-	-	-	3.59

NOTES to the Consolidated financial statements for the year ended March 31, 2020

Movement in bank borrowings for the year ended March 31, 2019

Particulars	₹ in Crores				
	Loans from banks	Loans from others	Commercial paper	Finance lease obligations	Total
Balance at the beginning of the year					
- Included under borrowings (refer note 20)	1,431.33	21.56	-	4.89	1,457.78
- Included under other financial liabilities (refer note 23)*	3.93	-	-	-	3.93
Details of borrowings with a maturity of over 90 days					
Loans availed during the year	874.51	3.80	-	-	878.31
Repayments made during the year	(689.14)	(4.82)	-	-	(693.96)
Details of borrowings with a maturity of 90 days or less					
Loans availed during the year	16,706.82	2.59	8,137.33	6.12	24,852.86
Repayments made during the year	(17,479.69)	(3.04)	(7,741.42)	(0.75)	(25,224.90)
Net loans repaid during the year	(772.87)	(0.45)	395.91	5.37	(372.04)
Movement in bank overdrafts [^]	14.63	-	-	-	14.63
Finance costs	119.57	0.32	83.58	0.68	204.15
Interest paid	(119.17)	(0.32)	(83.58)	(0.68)	(203.75)
Effects of changes in foreign exchange rates	20.96	1.24	-	-	22.20
Balance at the end of the year					
- Included under borrowings (refer note 20)	879.90	21.33	395.91	10.26	1,307.40
- Included under other financial liabilities (refer note 23)	3.85	-	-	-	3.85

* Represents interest accrued and not due at the end of the reporting period.

[^] Bank overdrafts used for cash management purposes are classified as part of cash and cash equivalents for the purpose of Statement of Cash Flows.

21. Provisions

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Current		
Provision for compensated absences	18.97	16.06
Provision for gratuity	1.97	1.61
Total	20.94	17.67
Non-current		
Provision for compensated absences	8.71	6.95
Provision for gratuity	116.05	90.15
Total	124.76	97.10

NOTES to the Consolidated financial statements for the year ended March 31, 2020

Movement in Provision for Gratuity

₹ in Crores

Particulars	Year ended March 31, 2020	For the year ended March 31, 2019
Defined benefit obligation at the beginning of the year	91.76	79.56
Current service cost	21.57	17.85
Interest cost	3.21	0.99
Actuarial loss recognized in other comprehensive income	8.12	3.29
Benefits paid	(14.01)	(12.70)
Currency translation adjustment	7.37	2.77
Defined benefit obligation at the end of the year	118.02	91.76
Current	1.97	1.61
Non-current	116.05	90.15

Expenses recognized in the Consolidated Statement of Profit and Loss and other comprehensive income:

₹ in Crores

Particulars	Year ended March 31, 2020	For the year ended March 31, 2019
Cost of the defined plan for the year		
Current service cost	21.57	17.85
Interest cost	3.21	0.99
Total cost recognized in the Consolidated Statement of Profit and Loss	24.78	18.84
Actuarial loss	8.12	3.29
Total cost recognized in other comprehensive income	8.12	3.29

Principal actuarial assumptions considered for the valuation of defined benefit liability relating to the Group are as follows:

Particulars	Year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	3.00% to 7.00%	4.10% to 7.75%
Salary escalation rate	3.00% to 10.00%	3.00% to 10.00%
Attrition rate	5.00% to 19.00%	5.00% to 20.00%
Demographic assumptions - mortality	IALM 2012-14 Ultimate (India) / AM80 (Overseas)	IALM 2006-08 Ultimate (India) / AM80 (Overseas)

NOTES to the Consolidated financial statements for the year ended March 31, 2020

Sensitivity analysis

The Group applies 1% as the sensitivity rate while ascertaining the impact of change in one of the actuarial assumptions, keeping other assumptions constant, on the defined benefit obligation. Following is the effect on defined benefit obligation:

Particulars	₹ in Crores	
	Year ended March 31, 2020	Year ended March 31, 2019
Increase of 1% in assumptions	Increase/ (decrease) in defined benefit obligation	Increase/ (decrease) in defined benefit obligation
Discount rate	(6.10)	(4.52)
Salary escalation rate	7.16	5.35
Attrition rate	(0.25)	0.04
Decrease of 1% in assumptions	Increase/ (decrease) in defined benefit obligation	Increase/ (decrease) in defined benefit obligation
Discount rate	6.98	5.16
Salary escalation rate	(6.34)	(4.76)
Attrition rate	0.28	(0.06)

22. Trade payables

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Total outstanding dues of micro enterprises and small enterprises	34.63	92.21
Total (i)	34.63	92.21
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade payables	6,079.82	5,659.86
Other payables	160.70	152.79
Total (ii)	6,240.52	5,812.65
Total (i+ii)	6,275.15	5,904.86

The Company and its Indian subsidiaries 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 in accordance with the Notification No: GSR 719 (E) dated November 16, 2007 issued by the Ministry of Corporate Affairs. There are no overdue undisputed outstanding amounts (including interest) payable to these enterprises.

Details of amounts payable to micro, small and medium enterprises are as follows:

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
Amount due to vendor		
- Principal	34.63	92.21
- Interest	-	-
Interest paid beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment	-	-
Amount of interest accrued and remaining unpaid at the end of the year	-	-

NOTES to the Consolidated financial statements for the year ended March 31, 2020

23. Other financial liabilities

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Unclaimed dividend*	0.20	0.10
Supplier credit arrangements	27.54	45.32
Interest accrued but not due on borrowings	3.59	3.85
Other liabilities	153.84	161.73
Total	185.17	211.00
Current	184.79	204.00
Non-current	0.38	7.00

*No amount is due and outstanding to be credited to Investor Education and Protection Fund.

24. Other current liabilities

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Unamortised revenue	6.33	7.92
Statutory liabilities	136.11	139.59
Advances / deposits received from customers	155.29	283.67
Dues to employees	69.61	66.14
Others liabilities	119.60	100.71
Total	486.94	598.03

25. Revenue from operations

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of goods	50,138.26	45,381.14
Sale of services	1,320.04	1,148.37
Other operating revenues	6.87	6.64
Total	51,465.17	46,536.15

Revenue disaggregation by geography is as follows:

₹ in Crores

Geography	Year ended March 31, 2020	Year ended March 31, 2019
India	18,789.68	17,021.05
Overseas	32,675.49	29,515.10
Total	51,465.17	46,536.15

NOTES to the Consolidated financial statements for the year ended March 31, 2020

26. Other income (net)

Particulars	₹ in Crores	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest income under the effective interest rate method on loans and deposits	22.73	21.80
Interest from dealers	10.97	21.97
Income from short-term investments	3.26	2.36
Gain on sale of property, plant and equipment (net)	0.96	4.02
Other non-operating income	10.69	13.08
Total	48.61	63.23

27. Employee benefits expense

Particulars	₹ in Crores	
	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and bonus	729.16	637.03
Contribution to provident fund and other funds	10.61	10.97
Staff welfare expenses	11.68	41.64
Gratuity	21.57	17.85
Stock compensation expense	10.76	16.71
Total	783.78	724.20

28. Finance Costs

Particulars	₹ in Crores	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest on borrowings	191.09	200.17
Interest on lease liabilities	20.61	-
Other borrowing costs	7.36	3.98
Total	219.06	204.15

29. Depreciation and amortisation expense

Particulars	₹ in Crores	
	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment (refer note 5 (a))	38.59	41.39
Depreciation of right-of-use assets (refer note 33)	86.87	-
Amortisation of Intangible assets (refer note 5 (b))	29.94	21.97
Total	155.40	63.36

NOTES to the Consolidated financial statements for the year ended March 31, 2020

30. Other expenses

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent (refer note 33)	37.92	110.55
Freight	208.52	173.35
Repairs and maintenance	37.99	31.66
Utilities	20.17	16.76
Travel and conveyance	44.13	46.16
Communication	21.96	23.02
Professional charges	41.26	31.36
Insurance	62.81	55.40
Sales promotion expenses	112.60	210.15
Warehouse handling charges	29.07	61.00
Bad debts*	17.33	0.30
Allowance for doubtful receivables	43.26	66.94
Auditors' remuneration (including remuneration to subsidiaries' auditors)	10.32	8.82
Exchange loss (net)	9.47	28.06
Outsourced resource cost	116.00	79.85
Bank charges	69.66	67.30
Corporate social responsibility expenditure (refer note 39)	6.44	6.65
Provision for financial assets (refer note 13 / note 14)	18.79	-
Provision for trade advances (refer note 16)	20.69	-
Other expenses	81.91	83.10
Total	1,010.30	1,100.43

*The amount of bad debts written off against allowance for doubtful trade receivables is ₹ 86.39 Crores. (Previous year: ₹ 25.17 Crores).

31. Earnings per equity share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year (₹ in Crores)	515.21	507.78
Weighted average number of equity shares (Basic)	389,083,161	396,707,747
Earnings per share- Basic ₹	13.24	12.80
Weighted average number of equity shares (Diluted)	389,083,161	396,712,117
Earnings per share- Diluted ₹	13.24	12.80
Face Value per share in ₹	2/-	2/-
Weighted average number of equity shares (Basic)	389,083,161	396,707,747
Add: Effect of employee stock option plan (dilutive)	-	4,370
Less: Effect of stock appreciation rights (anti-dilutive)	-	-
Weighted average number of equity shares (diluted)*	389,083,161	396,712,117

*The effect of employee stock option plan is dilutive whereas the effect of Stock Appreciation Rights (SARs) is anti-dilutive.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

32. Contingencies and commitments

Particulars	₹ in Crores	
	March 31, 2020	March 31, 2019
i. Bank guarantees	85.53	29.38
ii. Guarantees relating to channel financing	-	0.35
iii. Claims not acknowledged as debts	6.47	6.36
iv. Disputed income tax / sales tax demands		
Income tax	21.96	17.94
Sales tax	84.55	69.25
v. During the year ended March 31, 2020, one of the entities in the Group has received an order from the tax authorities aggregating to ₹ 199.58 crores (\$ 26.38 million) seeking to tax the profits of the entity in a jurisdiction outside of its country of principal operations. The matter is being contested. Based on advice received from legal and tax experts, the Group believes that such amounts have been determined in an arbitrary manner and that there would be no material adverse outcome in this matter.		

Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 0.71 Crores (previous year ₹ 2.17 Crores).

33. Leases

Leases as lessee (Ind AS 116)

The Group leases assets in the nature of land and buildings, vehicles and other equipment. The leases typically run for a period of 1 to 12 years.

Information about leases for which the Group is a lessee is presented below:

(a) Right-of-use assets

Right-of-use assets related to leased properties are presented as property, plant and equipment

Particulars	₹ in Crores			
	Land and Buildings	Vehicles	Other equipment	Total
Balance at April 1, 2019	249.46	3.24	2.64	255.34
Depreciation charge for the year	(81.52)	(4.91)	(0.44)	(86.87)
Additions to right-of-use assets	80.12	2.61	0.02	82.75
Deletions to right-of-use assets	(34.65)	-	-	(34.65)
Currency translation adjustments	10.41	3.28	-	13.69
Balance at March 31, 2020	223.82	4.22	2.22	230.26

(b) Amounts recognized in profit or loss

Particulars	₹ in Crores
	Amount
March 31, 2020 - Lease under Ind AS 116	
Interest on lease liabilities	20.61
Expenses relating to short-term leases (Included as part of other expenses)	37.92
Loss / (Gain) on Termination of Lease	(0.09)
March 31, 2019 - Leases under Ind AS 17	
Lease expense (Included as part of other expenses)	110.55

NOTES to the Consolidated financial statements for the year ended March 31, 2020

(c) Amounts recognized in statement of cash flows

Particulars	₹ in Crores
	Amount
Total cash outflow for leases	92.81

(d) Operating leases under Ind AS 17

Future minimum rent payable under non-cancellable operating leases as at March 31, 2019 were as follows:

Particulars	₹ in Crores
	Amount
Payable in less than one year	10.55
Payable between one and five years	13.38
More than five years	4.72
Total	28.65

34. Financial Instruments

The following table shows the carrying amounts and 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.

Categories of financial instruments

As at March 31, 2020	Carrying amount			Fair value			
	FVTPL	Other financial assets - amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Other financial assets (refer note 14)							
- Forward Contracts*	22.23	-	22.23		22.23		22.23
Financial assets not measured at fair value							
Trade receivables (refer note 11)	-	7,032.00	7,032.00				
Cash and cash equivalents (refer note 12 (a))	-	2,343.54	2,343.54				
Other bank balances (refer note 12 (b))	-	33.54	33.54				
Loans (refer note 13)	-	2.00	2.00				
Other financial assets (refer note 14)							
- Deposits	-	36.93	36.93		36.93		36.93
- Others	-	160.75	160.75				
Total financial assets	22.23	9,608.76	9,630.99		59.16		59.16

NOTES to the Consolidated financial statements for the year ended March 31, 2020

Categories of financial instruments (continued)

₹ in Crores

As at March 31, 2019	Carrying amount			Fair value			
	FVTPL	Other financial assets - amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Other financial assets (refer note 14)							
Investments (refer note 15)	7.03	-	7.03	7.03			7.03
Financial assets not measured at fair value							
Trade receivables (refer note 11)	-	6,278.56	6,278.56				
Cash and cash equivalents (refer note 12 (a))	-	866.64	866.64				
Other bank balances (refer note 12 (b))	-	10.55	10.55				
Loans (refer note 13)	-	44.00	44.00				
Other financial assets (refer note 14)							
- Deposits	-	50.19	50.19		50.19		50.19
- Others	-	239.75	239.75				
Total financial assets	7.03	7,489.69	7,496.72	7.03	50.19		57.22

₹ in Crores

As at March 31, 2020	Carrying amount			Fair value			
	FVTPL	Other financial liabilities - amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value							
Other financial liabilities (refer note 23)							
- Forward contracts*	0.90	-	0.90		0.90		0.90
Financial liabilities not measured at fair value							
Borrowings (refer note 20)	-	2,537.48	2,537.48				
Lease liabilities	-	237.23	237.23				
Trade payables (refer note 22)	-	6,275.15	6,275.15				
Other financial liabilities (refer note 23)							
- Others	-	184.27	184.27				
Total financial liabilities	0.90	9,234.13	9,235.03		0.90		0.90

₹ in Crores

As at March 31, 2019	Carrying amount			Fair value			
	FVTPL	Other financial liabilities - amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value							
Other financial liabilities (refer note 23)							
- Forward contracts*	34.98	-	34.98		34.98		34.98
Financial liabilities not measured at fair value							
Borrowings (refer note 20)	-	1,307.40	1,307.40				
Trade payables (refer note 22)	-	5,904.86	5,904.86				
Other financial liabilities (refer note 23)							
- Others	-	176.02	176.02				
Total financial liabilities	34.98	7,388.28	7,423.26		34.98		34.98

* The Company enters into foreign exchange forward contracts with banks. These foreign exchange forward contracts are valued using various inputs including the foreign exchange spot and expected forward rates.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

35. Financial risk management

The Group's activities expose it to a variety of financial risks such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. The focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk of the Group are credit and foreign exchange risk.

The senior management oversees the 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. The financial risk committee provides assurance to the senior management that the financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The Group has exposure to the following risks arising from financial instruments:

(a) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). In order to mitigate risks arising on account of foreign currency fluctuations, the following policies are set with respect to foreign exchange risk management in respective geographies.

Company and its Indian subsidiaries

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The exposure to the risk of changes in foreign exchange rates is primarily on account of payment in foreign exchange for purchase of goods.

The Company and its Indian subsidiaries use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions.

Sensitivity analysis

The Group applies 1% as the sensitivity rate while ascertaining foreign currency exposure. Accordingly 1% strengthening of Indian Rupee against all relevant uncovered foreign currency transactions would have negatively impacted profit before tax by ₹ 0.15 Crores (Previous year: positively impacted by ₹ 0.37 Crores). Similarly for 1% weakening of Indian rupee against these transactions, there would be an equal and opposite impact on the profit before tax and equity.

Overseas subsidiaries

With respect to overseas subsidiaries, most of the local reporting currencies in the Middle East are pegged to US dollar and hence the requirement for taking a separate hedge does not arise. In other geographies, forward cover is taken wherever applicable.

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the US\$, which is the functional currency of the Group's overseas subsidiaries, against the relevant foreign currency transactions that are not covered/pegged. A positive number below indicates an increase in profit before tax where the US\$ strengthens 10% against the relevant currency. Similarly, for a 10% weakening of the US\$ against the relevant currency, there would be an equal and opposite impact on the Profit before tax.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Turkish Lira	12.42	4.05
Kuwaiti Dinar	(7.83)	(3.82)
Kenyan Shilling	(0.82)	(1.51)
Moroccan Dirham	(0.22)	(1.72)
Nigerian Naira	(0.64)	(1.47)
Kazakhstan Tenge	(0.01)	(0.29)
Egyptian Pound	(11.74)	(7.76)
Tanzanian Sillings	(0.69)	(0.75)
Uganda Shilling	(0.75)	(0.55)
Ghanainan Cedi	(0.01)	(0.03)
South African Rand	(0.35)	0.02
Iraqi Dinar ^	(0.00)	(0.00)
Libyan Dinar	(0.01)	(0.01)
Rwandan Franc	(0.09)	(0.06)
Euro	(0.02)	0.24
West African CFA Franc	(2.60)	(3.32)
Indian Rupees	(0.26)	0.03
Singapore Dollars	3.19	1.21

^ Represents amount less than ₹ 1 lakh

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company and its Indian subsidiaries borrow funds to meet its short-term requirements which are at fixed interest rates. Hence there is no exposure to any significant interest rate risk.

The Company's overseas subsidiaries and one of its Indian Subsidiary borrows funds at both fixed and floating interest rates. Hence sensitivity analysis has been determined based on the exposure to interest rates for borrowings at floating interest rates. If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit before tax / equity for the year ended March 31, 2020 would decrease/increase by ₹ 6.30 Crores (previous year: ₹ 1.42 Crores).

(b) Credit risk management

Credit risk is the risk that the counterparty will not meet its obligations under customer contract, leading to a financial loss. The Group is exposed to credit risk from its sale to customers on credit.

The Group mitigates credit risk by strict receivable management, procedures and policies. The Group has a dedicated independent team to review credit and monitor collection of receivables. Credit insurance is resorted-to for most of the receivables and in such cases the credit risk is restricted to the receivable value which is not covered.

Ageing of trade receivables*

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Less than 90 days	6,897.02	6,095.71
More than 90 days	134.98	182.85
Total	7,032.00	6,278.56

NOTES to the Consolidated financial statements for the year ended March 31, 2020

* In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Group believes that no further loss allowance is required in excess of the allowance already created for.

In addition to the historical pattern of credit loss, the Group has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. The Group closely monitors its customers and assesses conditions such as change in payment terms, inability of the customer to pay etc. depending on severity of each case. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2020 is considered adequate

Movement in the Allowance for doubtful receivables

Particulars	₹ in Crores	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	187.04	139.25
Allowance recognized during the year	50.58	66.94
Less: Allowance utilized for write-off / reclassified	(86.39)	(25.17)
Currency translation adjustment	11.33	6.02
Balance at end of the year	162.56	187.04

(c) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

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

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

Particulars	₹ in Crores							
	As at March 31, 2020				As at March 31, 2019			
	Carrying amount	Contractual cash flows			Carrying amount	Contractual cash flows		
Less than a year		More than a year	Total	Less than a year		More than a year	Total	
Borrowings	2,537.48	2,554.29	-	2,554.29	1,307.40	1,292.66	27.68	1,320.34
Lease liability	237.23	73.66	167.90	241.56	-	-	-	-
Trade payables	6,275.15	6,275.15	-	6,275.15	5,904.86	5,904.86	-	5,904.86
Other financial liability	185.17	184.79	0.38	185.17	211.00	201.78	9.99	211.77
Total	9,235.03	9,087.89	168.28	9,256.17	7,423.26	7,399.30	37.67	7,436.97

NOTES to the Consolidated financial statements for the year ended March 31, 2020

36. Operating segments

The Group has identified India and Overseas as its reportable operating segments in line with the requirements Ind AS 108. Segment results include transfers between segments and such transfers are eliminated in the consolidation of the segments. Expenses that are directly identifiable to segments are considered for determining the segment results. Segment assets and liabilities include those directly identifiable to the respective segments and unallocated items include current and deferred tax assets and liabilities.

Particulars	India		Overseas		Eliminations		Corporate Unallocated		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Segment revenue										
-External	18,789.68	17,021.05	32,675.49	29,515.10	-	-	-	-	51,465.17	46,536.15
-Inter-segment	-	-	0.40	0.40	(0.40)	(0.40)	-	-	-	-
Total	18,789.68	17,021.05	32,675.89	29,515.50	(0.40)	(0.40)	-	-	51,465.17	46,536.15
Segment profit/(loss) before tax	567.12	265.12	472.28	370.82	(347.12)	(12.60)	-	-	692.28	623.34
Income tax expense	138.79	86.95	76.18	51.92	(56.61)	-	-	-	158.36	138.87
Segment profit for the year	428.33	178.17	396.10	318.90	(290.51)	(12.60)	-	-	533.92	484.47
Non-controlling interest	(1.49)	1.16	20.20	(24.47)	-	-	-	-	18.71	(23.31)
Segment profit attributable to the shareholders of the company	429.82	177.01	375.90	343.37	(290.51)	(12.60)	-	-	515.21	507.78
Total segment assets	5,028.87	4,718.94	9,449.67	7,556.57	(0.19)	(0.09)	177.88	145.26	14,656.23	12,420.68
Total segment liabilities	4,035.56	3,743.11	5,829.70	4,393.04	(0.19)	(0.09)	101.04	33.97	9,966.11	8,170.03
Segment profit before tax includes:										
Interest income	16.52	29.50	17.18	14.31	-	(0.04)	-	-	33.70	43.77
Finance costs	122.06	128.79	97.00	75.40	-	(0.04)	-	-	219.06	204.15
Depreciation and amortisation expense	72.94	21.77	82.46	41.59	-	-	-	-	155.40	63.36
Impairment of goodwill and other intangibles	3.60	-	1.08	71.06	-	-	-	-	4.68	71.06
Segment assets include:										
Acquisition of property, plant and equipment and other intangible assets	45.64	45.51	38.16	36.52	-	-	-	-	83.80	82.03
Impairment of goodwill and other intangibles	3.60	-	1.08	71.06	-	-	-	-	4.68	71.06

NOTES to the Consolidated financial statements for the year ended March 31, 2020

Other information with respect to the operating segments disclosed above

Revenues from major businesses are as follows:

₹ in Crores

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	India	Overseas	Total	India	Overseas	Total
Distribution of products	18,012.93	32,125.33	50,138.26	16,382.77	28,998.37	45,381.14
Service	769.88	550.16	1,320.04	631.64	516.73	1,148.37
Other operating revenue	6.87	-	6.87	6.64	-	6.64
Total	18,789.68	32,675.49	51,465.17	17,021.05	29,515.10	46,536.15

(a) The Group has elected not to disclose details of non-current assets located in various geographies and revenue from major products and services as the necessary information is not precisely available and the cost to develop it would be excessive.

(b) The revenue from transactions with no single external customer exceeded 10% of the total revenue of the Group for each of the two years ended March 31, 2020 and March 31, 2019.

37. Related party disclosures

(a) Remuneration to Key Management Personnel (KMP)

Mr. Raj Shankar, Managing Director

Mr. S. V. Krishnan, Chief Financial Officer and Whole Time Director (Appointed as Whole Time Director w.e.f. May 22, 2019)

Mr. Kasturi Rangan (Resigned as Whole Time Director w.e.f. May 22, 2019)

(Refer note 38 for details of remuneration paid to KMP)

(b) Names of the related parties

Parties having Significant influence on the Company	Synnex Mauritius Limited, Mauritius * Synnex Australia Pty Limited*
Associate	Redington (India) Investments Limited
Subsidiary of the associate	Currents Technology Retail (India) Limited *

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

₹ in Crores

Nature of Transactions	Year ended March 31, 2020	Year ended March 31, 2019
	Parties having Significant Influence	Parties having Significant Influence
Synnex Mauritius Limited		
Dividend paid	71.66	22.63
Synnex Australia Pty Limited		
Service income	0.32	0.14
Trade receivable at the year end	-	0.08

NOTES to the Consolidated financial statements for the year ended March 31, 2020

₹ in Crores

Nature of Transactions	Year ended March 31, 2020	Year ended March 31, 2019
	Subsidiary of associate	Subsidiary of associate
Currents Technology Retail (India) Limited		
Sale of goods	19.74	21.95
Interest income	0.77	2.33
Purchase of intangible assets	9.91	-
Service charges - expense	0.86	-
Loan disbursed	33.10	63.40
Loan settled	58.20	66.30
Write off of loans	6.90	-
Write off of account receivables	10.36	-

Nature of Transactions	Year ended March 31, 2020	Year ended March 31, 2019
	Key Management Personnel	Key Management Personnel
Dividends paid	0.49	0.15

Details of receivable from Currents Technology Retail (India) Limited:

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Loan outstanding at the year end	-	32.00
Amount payable at the year end	0.82	-
Amount receivable at the year end	0.05	14.15
Advances received against supplies	0.35	-

38. Key managerial personnel remuneration

Remuneration to the key managerial personnel from the Company as below:

₹ in Crores

Nature of Transactions	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and bonus	1.17	0.90
Contribution to provident fund	0.04	0.03
Stock compensation expense (SAR)	0.24	0.35
Total remuneration	1.45	1.28

a) Provision for gratuity and compensated absences are based on an actuarial valuation performed on an overall Company basis and hence excluded above.

Remuneration to the Managing Director from a wholly-owned overseas subsidiary is as below:

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and bonus	4.79	4.75
Contribution to provident fund	0.05	0.05
Total	4.84	4.80

39. Corporate Social Responsibility (CSR)

For the year 2019-20, the Indian entities of the Group is required to spend ₹ 6.44 Crores (previous year: ₹ 6.65 Crores) on "Corporate Social Responsibility (CSR)" against which the Group has spent during the year ₹ 6.44 Crores (previous year: ₹ 6.65 Crores) towards CSR Expenditure, being the contribution made by the Group to a Trust formed for the purposes of carrying out these CSR activities.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

40. Impairment of goodwill and other intangibles

During the year ended March 31, 2020, the Company's wholly-owned subsidiary, ProConnect Supply Chain Solutions Limited has carried out an impairment assessment of the Goodwill in one of its subsidiaries, Auroma Logistics Private Limited and determined that the Goodwill was impaired. Management has allocated an impairment loss on goodwill of ₹3.60 crores.

During the year ended March 31, 2020, the Company's wholly-owned subsidiary, Redington Gulf FZE carried out an impairment assessment of its intangible assets with indefinite useful lives and determined that the assets were impaired. Management has allocated the impairment losses as follows:

Particulars	₹ in Crores
	Amount
Goodwill (refer note 6)	0.14
Customer relationship	0.94
Total	1.08

During the year ended March 31, 2019, the Company's wholly-owned subsidiary, Redington Gulf FZE carried out an impairment exercise of its investment in its subsidiary at Turkey, Arena. Due to devaluation of the Turkish Lira against USD, higher country risk rating and challenging business environment an impairment loss of ₹ 71.06 Crores was recognised during the year and the impairment charge towards Goodwill and Trade name and has been disclosed as an exceptional item in the above financial statements.

Impairment losses are recognised in the following intangible assets

Particulars	₹ in Crores
	Amount
Goodwill (refer note 6)	20.02
Trade name	51.04
Total	71.06

41. Employee Stock Option Plan 2008 (ESOP 2008)

The Group followed intrinsic value method as per previous GAAP for accounting of employee stock options and had availed the exemption under Ind AS 101 "First time adoption of Indian Accounting Standards" at the time of transition to Ind AS from retrospective application of accounting requirements prescribed under Ind AS 102 "Share-based payment" for outstanding options as on the transition date. Accordingly, no compensation costs had been recognized in these accounts as the options have been granted at the prevailing market prices at the time of each grant.

Details of various grants under ESOP 2008 are as follows:

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V
Date of Grant	February 29, 2008	July 25, 2008	January 28, 2009	May 22, 2009	December 05, 2011
Exercise Price (₹)*	348.05	319.90	130.00	165.00	396.50
Vesting commences on	February 28, 2009	July 24, 2009	January 27, 2010	May 21, 2010	December 04, 2012
Options granted	2,335,973	11,000	276,143	25,000	173,212
Options lapsed	587,670	4,750	-	-	53,104
Options vested	1,748,303	6,250	276,143	25,000	120,108
Options exercised at the beginning of the year	1,748,303	6,250	276,143	25,000	118,821
Options exercised during the year	-	-	-	-	1,287
Total options outstanding and not exercised as on March 31, 2020	-	-	-	-	-

* Out of the total options granted in 2008, 1,959,830 options were re-priced at ₹ 130/- on January 28, 2009 and 75,000 options were re-priced at ₹ 165/- on May 22, 2009.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

Out of the lapsed options the Board/Committee of directors at their meetings had approved reissue of options as follows:

Date of Grant	July 25, 2008	January 28, 2009	May 22, 2009	December 05, 2011
No. of options	11,000	276,143	25,000	173,212

The exercise period of all options granted including those reissued had expired and validity of Redington Employee Stock Option Plan, 2008 ended on 31st March 2020. The Board of Directors had also approved to extinguish the options and dissolve the plan.

The fair value of options based on the valuation of the independent valuer as of the respective dates of grant were as follows:

Grant Date	Fair Value
February 29, 2008	171.33
Re-priced on January 28, 2009	25.56
Re-priced on May 22, 2009	33.04
July 25, 2008	159.71
Re-priced on January 28, 2009	23.77
January 28, 2009	47.46
May 22, 2009	79.82
December 05, 2011	171.72

The variables / assumption used for calculating the fair value of Grant V using the Black Scholes model and their rationale were as follows:

(a) **Stock price**

The closing market price of the Company's share on the date prior to the date of grant as quoted on the National Stock Exchange (NSE) has been considered for the purpose of option valuation.

(b) **Volatility**

Volatility is a measure of the amount by which the stock price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

In determining volatility, the Company considers the historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued.

Given that the Company's stock is publicly traded on NSE and BSE, for the purpose of calculating volatility, the Company has considered the daily volatility of the stock prices on NSE, over a period prior to the date of grant, corresponding with the expected life of the options being valued.

(c) **Risk free interest rate**

The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

(d) **Exercise price**

Options have been granted primarily at a price of ₹ 348.05 on February 29, 2008. Subsequently, 1,959,830 and 75,000 options were re-priced at a market price of ₹ 130/- and ₹ 165/- on January 28, 2009 and May 22, 2009 respectively. On December 5, 2011, 173,212 options were granted at a price of ₹ 396.50 per option.

(e) **Expected life of options**

Expected life of options is the period over which the Company expects the options to be exercised. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

The fair value of each award has been determined based on different expected lives of the options that vest each year, as it would be if the award were viewed as several separate awards, each with a different vesting date. A weighted average of all vests has been calculated to arrive at the value of the options. The expected life of option is calculated as the average of the minimum life (vesting period) and the maximum life (i.e. vesting period + exercise period). Expected life of option has been estimated on a similar basis for the remaining vests.

Expected dividend yield

Expected dividend yield has been calculated as an average of dividend yields for the preceding two years to the date of the grant.

Details of movements in stock options during the year

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at the beginning of the year	3,819	396.50	12,292	396.50
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	1,287	396.50	5,726	396.50
Expired during the year	2,532	396.50	2,747	396.50
Balance at the end of the year	-	-	3,819	396.50

Weighted average contractual life

The weighted average remaining contractual life of the options outstanding is Nil (previous year 0.75 years).

Details of stock options exercised during the year

Particulars	Number exercised	Allotment date	Share price at allotment date
Grant I	NIL	-	-
Grant II	NIL	-	-
Grant III	NIL	-	-
Grant IV	NIL	-	-
Grant V	1,287	December 18, 2019	BSE-117.10/NSE-117.30

42. Details of Stock Appreciation Rights

(a) Details of Stock Appreciation SARs

The Group has formulated 'REDINGTON STOCK APPRECIATION RIGHT SCHEME 2017' ("SAR Scheme 2017") with an intent to reward the employees of the Group for their performance and to motivate them to contribute to the growth and profitability of the Group. The maximum number of shares to be issued against the Stock Appreciation Rights (SARs) shall not exceed 8,681,681 equity shares of ₹ 2/- each as adjusted for any changes in the capital structure of the Group. Pursuant to the approval of SAR Scheme 2017 by the members of the Group, the Nomination and Remuneration Committee of the Board of Redington (India) Limited on December 30, 2017 approved the grant of 8,179,000 SARs to the employees of the Company and its subsidiaries.

Each SAR entitles the eligible employees and directors to receive equity shares of the Company equivalent to the increase in value of one equity share ('Appreciation'). Appreciation is calculated by reducing the issue price / base price from the reported closing price of the equity shares 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.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

Certain SARs granted to the members of senior management team as identified by the Nomination and Remuneration committee 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 conditions.

The Group has used the Black-Scholes Option Pricing Model to determine the fair value of the SARs based on which the compensation cost for the current year has been computed.

The said SAR scheme is in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Details of SARs granted during the previous year are as follows:

A. Details of SAR	Particulars
Date of grant	December 30, 2017
Fair value at grant date (weighted-average)	₹ 71.99 per SAR
Exercise/ Base price	₹148.50 (15% discount to the Closing Market Price of ₹ 174.60 at NSE on December 29, 2017) date prior to the date of grant
Vesting commences on	December 30, 2018
Vesting requirement	The SARs granted would be vested subject to the time and performance conditions as may be decided by the Compensation Committee from time to time.
Maximum term of SARs granted	3 years from the date of vesting
Method of settlement	Equity shares of the Company

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(b) Details of movement in SARs granted during the year	Units (in numbers)	Units (in numbers)
SARs outstanding at the beginning of the year	7,517,600	8,149,000
Number of SARs granted during the year	-	-
SARs lapsed during the year	841,700	631,400
Total number of shares to be allotted on exercise of SAR	-	-
SARs outstanding at the end of the year	6,675,900	7,517,600
SARs exercisable at the end of the year	2,021,250	753,200
(c) Range of exercise prices of SARs outstanding at the end of the year	₹ 2	₹ 2
(d) Weighted average remaining contractual life (in years)	3.35	2.76
(e) Pricing model. The Assumptions used in the model on a weighted average basis at the time of grant are as follows		Assumption values
(i) Risk free interest rate		7.02%
(ii) Expected life (in years)		4.10
(iii) Expected volatility		35.72%
(iv) Dividend yield		1.20%
(v) Price of the underlying share in market at the time of the option grant. (₹)		174.60

The variables / assumptions used at the time of grant for calculating the fair value using the above model and their rationale are as follows:

(i) Stock price

The closing market price on the date of grant on National Stock Exchange (NSE) has been considered for the purpose of right valuation.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

(ii) Volatility

Volatility is a measure of the amount by which the stock price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes right pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

In determining volatility, the Group considers the historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the right being valued. Volatility has been calculated based on the daily closing market price of the Company's stock price on NSE over these years.

(iii) Risk free interest rate

The risk-free interest rate is considered for the calculation is the interest rate applicable for maturity equal to the expected life of the SARs based on the zero-coupon yield curve for Government Securities

(iv) Exercise / base price

Exercise / base price of ₹ 148.50 is considered in the above valuation.

(v) Expected Life of SARs

Expected Life of SARs is the period over which the Group expects the SARs to be exercised. The minimum life of SARs is the minimum period before which the SARs cannot be exercised. The maximum life is the period after which the SARs cannot be exercised.

The expected life of SARs is calculated as the average of the minimum life (vesting period) and the maximum life (i.e. vesting period + exercise period).

(vi) Expected dividend yield

Expected dividend yield has been calculated based on the final dividend declared during the preceding financial year.

(f) Expense recognized in Consolidated Statement of Profit and Loss

The Group has recognized costs with respect to those SARs which were issued to the employees and directors of the Company and its subsidiaries in the Consolidated Statement of Profit and Loss under employee benefits expense (Refer note 27).

43. Acquisition of subsidiary

During the year ended March 31, 2019, Proconnect Supply Chain Solutions Limited, a wholly-owned subsidiary had acquired 90% interest in Auroma Logistics Private Limited under a share purchase agreement dated March 6, 2019. Auroma is primarily engaged in providing third party logistics solutions (3PL) comprising of warehouse management, handling of goods and transportation of goods.

The transaction was accounted under Ind AS 103 "Business Combinations" as a business combination with the purchase price being allocated to identifiable assets and liabilities at fair value.

(a) Consideration transferred

The following table summarises the acquisition date fair value of each class of consideration transferred:

Particulars	₹ in Crores
	Amount
Cash	38.17
Contingent consideration	7.16
Total consideration for business combination	45.33

The contingent consideration is payable within a range of 3 to 6 months from the date of completion of cash payment i.e. March 6, 2019. The fair value of the contingent consideration is determined by discounting the estimated amount payable to the sellers on retaining of certain customer contracts. At acquisition date, the key inputs used in determination of fair value of contingent consideration are the discount rate of 13.4% and the probabilities of retaining of certain customer contracts. As at March 31 2019, the fair value of the contingent consideration is ₹ 7.16 crores and is classified as other financial liability.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

During the year ended March 31, 2020, the Group has settled contingent consideration by cash to erstwhile shareholders of Auroma Logistics Private Limited. The Group has also acquired the remaining 10% equity stake in Auroma during the year, pursuant to share purchase agreement entered with erstwhile shareholders of Auroma Logistics Private Limited (Refer note 3).

(b) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition:

Particulars	₹ in Crores
	Amount
Property, plant and equipment	1.04
Customer relationship	15.01
Trade receivables	6.57
Cash and cash equivalents	4.39
Other bank balances	3.60
Deposits and other receivables	2.83
Deferred tax assets	0.23
Other current assets	1.41
Trade payables and provisions	(1.35)
Deferred tax liabilities	(4.37)
Less: Proportionate value of non-controlling interests	(3.37)
Total net identifiable assets acquired	25.99

(c) Goodwill

Particulars	₹ in Crores
	Amount
Consideration transferred	45.33
Fair value of net identifiable assets	25.99
Goodwill*	19.34

*Goodwill recognised at the date of acquisition i.e. March 6, 2019.

The goodwill is attributable mainly to the an increased share of the warehouse management services market through access to the Auroma's customer base and the synergies expected to be achieved from integrating Auroma into Group's existing Supply Chain Management business. The Group also expects to reduce cost through economies of scale. None of the goodwill recognised is expected to be deductible for income tax purposes.

NOTES to the Consolidated financial statements for the year ended March 31, 2020

44. Additional information as required by paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Division II of Schedule III to the Companies Act, 2013

For the year ended March 31, 2020

Name of the Entity	Net assets (Total assets less total liabilities)		Share in profit		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As a % of consolidated net assets	₹ in Crores	As a % consolidated net profit	₹ in Crores	As a % of consolidated OCI	₹ in Crores	As a % of TCI	₹ in Crores
Parent -Redington (India) Limited	24.67	1,157.09	48.62	250.50	(1.32)	(3.24)	32.50	247.26
Subsidiaries								
(a) Indian								
ProConnect Supply Chain Solutions Limited	1.23	57.80	(21.35)	(110.00)	(0.09)	(0.22)	(14.49)	(110.22)
Ensure Support Services (India) Limited	0.54	25.56	0.29	1.51	(0.04)	(0.09)	0.19	1.42
Non-controlling interests in Indian subsidiaries	-	-	0.29	1.49	-	-	0.20	1.49
(b) Foreign								
Redington International Mauritius Limited- before non-controlling interest	57.14	2,679.76	21.72	111.91	101.84	250.08	47.58	361.99
Redington Distribution Pte Limited	8.29	388.64	54.35	280.00	11.86	29.13	40.63	309.13
Non-controlling interest in foreign subsidiaries	8.13	381.27	(3.92)	(20.20)	(12.25)	(30.09)	(6.61)	(50.29)
Associate (Indian) - Redington (India) Investments Limited	-	-	-	-	-	-	-	-
Total	100.00	4,690.12	100.00	515.21	100.00	245.57	100.00	760.78

For the year ended March 31, 2019

Name of the Entity	Net assets (Total assets less total liabilities)		Share in profit		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As a % of consolidated net assets	₹ in Crores	As a % consolidated net profit	₹ in Crores	As a % of consolidated OCI	₹ in Crores	As a % of TCI	₹ in Crores
Parent -Redington (India) Limited	22.72	965.55	25.04	127.14	(1.09)	(1.32)	20.02	125.82
Subsidiaries								
(a) Indian								
ProConnect Supply Chain Solutions Limited	2.86	121.65	6.04	30.69	(0.36)	(0.43)	4.81	30.26
Ensure Support Services (India) Limited	0.63	26.60	0.77	3.90	0.17	0.20	0.65	4.10
Non-controlling interests in Indian subsidiaries	0.17	7.27	(0.23)	(1.16)	-	-	(0.18)	(1.16)
(b) Foreign								
Redington International Mauritius Limited- before non-controlling interest	58.20	2,474.02	53.99	274.12	102.81	124.13	63.36	398.25
Redington Distribution Pte Limited	7.48	318.16	9.57	48.61	11.56	13.96	9.96	62.57
Non-controlling interest in foreign subsidiaries	7.94	337.40	4.82	24.48	(13.09)	(15.80)	1.38	8.68
Associate (Indian) - Redington (India) Investments Limited	-	-	-	-	-	-	-	-
Total	100.00	4,250.65	100.00	507.78	100.00	120.74	100.00	628.52

NOTES to the Consolidated financial statements for the year ended March 31, 2020

45. Buy-back of equity shares

The Board of Directors at its meeting held on September 17, 2018, considered and approved the proposal for buy-back of up to 11,120,000 fully paid up equity shares of the Company (representing 2.78 % of the total paid-up equity share capital of the Company as on March 31, 2018) of the face value of ₹ 2 each at a price of ₹ 125 per equity share for an aggregate amount not exceeding ₹ 139 Crores from the members of the Company, as on September 28, 2018 (the record date determined by the Board), on a proportionate basis through "Tender Offer" route as prescribed under the SEBI (Buy-back of Securities) Regulations, 2018. A Letter of Offer was made to all eligible shareholders and the Company completed the buy-back of 11,120,000 equity shares resulting in a reduction in the share capital and securities premium of the Company by ₹ 2.22 Crores and ₹ 136.78 Crores respectively.

Further, pursuant to the buy-back, the Company had also transferred an amount of ₹ 2.22 Crores from general reserve to capital redemption reserve in accordance with the provisions of the Companies Act, 2013 during the year ended March 31, 2019. The transaction costs relating to buy-back amounting to ₹ 2.29 Crores was charged to Surplus in the Consolidated Statement of Profit and Loss (Retained earnings) under other equity during the year ended March 31, 2019.

46. Update on Income Tax matters

The income tax department had raised a demand during the financial year 2013-14 on the Company for ₹ 118.65 crores (besides interest of ₹ 75.93 crores) arising on account of tax on capital gains from the transfer of Company's investment in an overseas subsidiary to another overseas step-down subsidiary, for the assessment year ended on March 31, 2009. This demand has been set aside by the Income Tax Appellate Tribunal, Chennai vide its order dated July 7, 2014. The Company received an intimation from the Income Tax Department Counsel stating that the department has filed an appeal against the said order before the Madras High Court. In August 2019, the Court allowed the admission of the appeal. The Company is actively contesting the said matter.

47. These consolidated financial statements were approved for issue by the Board of Directors on June 11, 2020.

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

S Sethuraman

Partner

Membership No.: 203491

Place : Chennai

for and on behalf of the Board of Directors

Raj Shankar

Managing Director

(DIN-00238790)

Place : Singapore

S V Krishnan

Chief Financial Officer and

Whole-time Director

(DIN-07518349)

Place : Chennai

M Muthukumarasamy

Company Secretary

Place : Chennai

Date : June 11, 2020

FORM - AOC1
SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES/ASSOCIATES AS PER COMPANIES ACT, 2013

Part (A) SUBSIDIARIES

Sl. No	Company name	Date of Acquisition	Reporting Period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments @	Turnover	Profit before taxation	Provision for taxation	Profit after tax	Proposed dividend	Ownership Interest %	Beneficial Interest %
1	ProConnect Supply Chain Solutions Limited	31-Aug-12	March 31, 2020	INR	1.0000	9.08	91.31	255.90	155.51	-	267.69	(18.85)	1.06	(19.91)	-	100	100
2	Ensure Support Services (India) Limited	27-Jun-13	March 31, 2020	INR	1.0000	4.50	21.07	77.03	51.46	-	103.92	5.31	1.46	3.85	-	100	100
3	Redington International Mauritius Limited	16-Jul-08	March 31, 2020	USD	75.6650	209.35	1,303.80	1,513.59	0.44	-	-	242.60	-	242.60	-	100	100
4	Redington Distribution Pte. Limited	1-Apr-05	March 31, 2020	USD	75.6650	30.27	348.26	1,078.76	700.23	-	2,790.52	65.06	17.75	47.31	-	100	100
5	Redington Gulf FZE	27-Mar-00	March 31, 2020	AED	20.6000	24.72	1,889.22	5,380.61	3,466.67	-	12,901.04	210.77	0.84	209.93	-	100	100
6	Redington Egypt Ltd (limited liability company)	9-Feb-00	December 31, 2019	EGP	4.4500	0.38	10.32	105.19	94.49	-	105.21	(6.05)	(0.01)	(6.04)	-	100	100
7	Redington Gulf & Co. LLC	11-Nov-03	March 31, 2020	OMR	196.5325	2.95	1.90	90.27	85.42	-	219.99	0.46	-	0.46	-	70	100
8	Redington Kenya Limited	19-Jul-04	March 31, 2020	KES	0.7203	0.07	5.16	211.66	206.43	-	530.24	0.60	1.39	(0.79)	-	100	100
9	Cadensworth FZE	30-Mar-05	March 31, 2020	AED	20.6000	2.06	19.52	93.01	71.43	-	161.84	1.30	-	1.30	-	100	100
10	Redington Middle East LLC	1-Jul-05	March 31, 2020	AED	20.6000	0.62	31.38	1,039.36	1,007.36	-	4,472.89	10.17	-	10.17	-	49	100
11	Ensure Services Arabia LLC	13-Jun-00	March 31, 2020	SAR	20.1500	2.02	2.24	6.34	2.08	-	6.96	(1.36)	0.02	(1.38)	-	100	100
12	Redington Qatar WLL	7-Oct-02	March 31, 2020	QAR	20.6375	0.41	0.25	8.60	7.94	-	15.54	0.67	0.13	0.54	-	49	100
13	Ensure Services Bahrain S.P.C.	26-Mar-07	March 31, 2020	BHD	200.6875	1.00	3.03	4.87	0.84	-	1.71	0.06	-	0.06	-	100	100
14	Redington Qatar Distribution WLL	15-Aug-07	March 31, 2020	QAR	20.6375	0.41	9.90	303.87	293.56	-	1,454.21	10.26	1.34	8.92	-	49	100
15	Redington Limited	28-Nov-08	March 31, 2020	GHS	13.2544	0.74	(0.56)	5.00	4.82	-	0.75	(0.27)	0.01	(0.28)	-	100	100
16	Redington Kenya (EPZ) Limited	10-Dec-08	March 31, 2020	KES	0.7203	0.01	(1.70)	1.34	3.03	-	-	(0.23)	-	(0.23)	-	100	100
17	Redington Uganda Limited	9-Jan-09	March 31, 2020	UGX	0.0200	0.03	2.91	74.27	71.33	-	172.19	0.49	0.28	0.21	-	100	100
18	Cadensworth United Arab Emirates (LLC)	5-May-09	March 31, 2020	AED	20.6000	0.62	14.82	21.50	6.06	-	709.54	1.41	-	1.41	-	49	100
19	Redington Tanzania Limited	13-Aug-09	March 31, 2020	TZS	0.0327	-	1.13	49.36	48.23	-	164.45	1.03	1.65	(0.62)	-	100	100
20	Redington Morocco Ltd.	5-Oct-09	March 31, 2020	MAD	7.4867	0.22	(0.22)	9.54	9.54	-	8.43	(3.19)	0.11	(3.30)	-	100	100
21	Ensure IT Services (Pty) Ltd.	27-Jul-11	March 31, 2020	ZAR	4.2325	0.30	1.90	4.94	2.74	-	12.82	0.33	0.09	0.24	-	100	100
22	Redington Turkey Holdings S.A.R.L. (RTHS)	8-Nov-10	March 31, 2020	USD	75.6650	3.40	(43.75)	278.86	319.21	-	-	4.64	0.63	4.01	-	100	100
23	Arena Bilgisayar Sanayi Ve Ticaret A.S.	29-Nov-10	December 31, 2019	USD	71.3850	159.32	393.37	1,332.20	779.51	-	3,600.72	53.16	7.05	46.11	-	49.40	49.40
24	Arena International FZE	25-May-11	December 31, 2019	AED	19.4350	1.94	-	464.83	462.89	-	1,795.48	107.23	-	107.23	-	49.40	49.40
25	Redington Bangladesh Limited	24-Jun-05	March 31, 2020	BDT	0.8923	0.27	0.53	2.00	1.20	-	3.20	0.18	-	0.18	-	99	100
26	Redington SL Private Limited	28-Oct-09	March 31, 2020	LKR	0.3997	1.14	8.02	31.50	22.34	-	173.40	1.12	0.53	0.59	-	100	100
27	Redington Rwanda Ltd.	9-May-12	March 31, 2020	RWF	0.0800	-	(0.50)	2.32	2.82	-	0.94	(0.11)	-	(0.11)	-	100	100

Sl. No	Company name	Date of Acquisition	Reporting Period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments @	Turnover	Profit before taxation	Provision for taxation	Profit after tax	Proposed dividend	Ownership Interest %	Beneficial Interest %
28	Redington Kazakhstan LLP	24-Apr-12	December 31, 2019	KZT	0.1864	0.26	(3.38)	0.40	3.52	-	-	-	-	-	-	100	100
29	Ensure Gulf FZE	25-Jul-12	March 31, 2020	AED	20.6000	2.06	40.67	129.94	87.21	-	37.16	13.58	-	13.58	-	100	100
30	Ensure Middle East Trading LLC	14-Oct-12	March 31, 2020	AED	20.6000	0.62	9.38	23.70	13.70	-	75.19	0.08	-	0.08	-	49	100
31	Ensure Solutions Nigeria Limited	17-Jan-13	March 31, 2020	NGN	0.2099	0.07	2.31	9.28	6.90	-	18.12	1.38	(0.05)	1.43	-	99.90	100
32	Ensure Technical Services Kenya Limited	17-Dec-12	March 31, 2020	KES	0.7203	0.07	(4.10)	2.05	6.08	-	7.43	(1.43)	-	(1.43)	-	100	100
33	Ensure Services Uganda Limited	17-Jan-13	March 31, 2020	UGX	0.0200	0.01	0.28	1.12	0.83	-	(0.07)	(0.04)	(0.02)	(0.02)	-	100	100
34	Ensure Technical Services Tanzania Limited	21-Dec-12	March 31, 2020	TZS	0.0327	-	(0.92)	0.45	1.37	-	-	(0.08)	0.03	(0.11)	-	100	100
35	Ensure Ghana Limited	10-May-13	March 31, 2020	GHS	13.2544	0.34	0.26	5.74	5.14	-	3.50	-	-	-	-	100	100
36	Proconnect Supply Chain Logistics LLC	24-Apr-13	March 31, 2020	AED	20.6000	0.62	29.61	62.18	31.95	-	127.75	8.63	-	8.63	-	49	100
37	Ensure Technical Services Morocco Limited (Sarl)	26-Oct-13	March 31, 2020	MAD	7.4867	0.08	(0.65)	6.06	6.63	-	3.84	(0.22)	0.02	(0.24)	-	100	100
38	Redington Senegal Limited S.A.R.L	14-May-14	December 31, 2019	XOF	0.1283	0.06	7.99	52.03	43.98	-	447.63	3.43	1.54	1.89	-	100	100
39	Redington Saudi Arabia Distribution Company	18-Aug-14	March 31, 2020	SAR	20.1500	54.41	50.56	1,488.12	1,383.15	-	7,373.55	44.57	24.56	20.01	-	75	100
40	PayNet Odeme Hizmetleri A.S.	16-Jan-15	December 31, 2019	TRY	12.0009	2.40	6.83	28.27	19.04	-	96.46	5.70	1.35	4.35	-	49.40	49.40
41	CDW International Trading FZCO	5-Jul-15	March 31, 2020	AED	20.6000	-	3.87	3.99	0.12	-	289.44	0.47	-	0.47	-	100	100
42	RNDC Alliance West Africa Limited	17-Nov-15	March 31, 2020	NGN	0.2099	0.21	(3.46)	7.40	10.65	-	4.81	0.47	0.03	0.44	-	100	100
43	Linkplus Bilgisayar Sistemleri Sanayi Ve Ticaret A.S.	26-Nov-15	December 31, 2019	TRY	12.0009	24.00	34.34	210.93	152.59	-	470.74	21.58	4.68	16.90	-	100	100
44	Ensure Middle East Technology Solutions LLC	10-Oct-16	March 31, 2020	AED	20.6000	0.31	1.35	5.09	3.43	-	7.18	0.76	-	0.76	-	49	100
45	Rajprotim Supply Chain Solutions Limited	25-Jul-16	March 31, 2020	INR	1.0000	11.17	(31.32)	35.57	55.72	-	73.24	(50.44)	0.60	(51.04)	-	100	100
46	Proconnect Saudi LLC	05-Feb-17	March 31, 2020	SAR	20.1500	2.02	3.83	76.97	71.12	-	50.67	3.14	0.47	2.67	-	100	100
47	Redserv Business Solutions Private Limited	29-Mar-17	March 31, 2020	INR	1.0000	0.10	(1.34)	0.94	2.18	-	-	(0.72)	-	(0.72)	-	100	100
48	Redington Distribution Company	14-Mar-17	March 31, 2020	EGP	4.8050	0.96	11.03	128.51	116.52	-	600.18	6.66	-	6.66	-	99	100
49	Citrus Consulting Services FZ LLC	20-Apr-17	March 31, 2020	AED	20.6000	0.77	(5.19)	4.61	9.03	-	20.54	(4.76)	-	(4.76)	-	84.80	84.80
50	Arena Mobile İletisim Hizmetleri ve Türkçetici Elektronik Sanayi ve Ticaret A.S.	11-Apr-17	December 31, 2019	TRY	12.0009	0.30	23.01	24.77	1.46	-	4.21	3.17	0.70	2.47	-	49.40	49.40
51	Online Elektronik Ticaret Hizmetleri A.S.	10-Apr-17	December 31, 2019	TRY	12.0009	6.00	(0.60)	12.63	7.23	-	117.02	(9.51)	(2.14)	(7.37)	-	49.40	49.40
52	Paynet (Kibris) Odeme Hizmetleri Limited	7-Apr-17	December 31, 2019	TRY	12.0009	0.48	0.07	0.60	0.05	-	0.11	0.08	-	0.08	-	49.40	49.40
53	Ensure Services Limited	7-Sep-17	December 31, 2019	EGP	4.4500	0.02	(1.88)	1.75	3.61	-	3.29	(1.03)	-	(1.03)	-	99	100
54	Redington Cote d'Ivoire SARL	30-Jan-18	December 31, 2019	XOF	0.1227	0.06	(5.58)	4.21	9.73	-	16.73	4.69	0.31	4.38	-	100	100
55	Auroma Logistics Private Limited	8-Mar-19	March 31, 2020	INR	1.0000	0.01	23.33	39.86	16.52	-	81.65	5.06	1.28	3.78	-	100	100

@ Investment excludes investment in subsidiary

Part (B) Associate

Sl. No:	Name of Company	Date of Association	Reporting Period / Latest Audited Balance sheet date	Shares Held by the Company	Amount of investment	Ownership interest	Beneficial interest	Reason for significant influence	Total Liabilities	Networth attributable	Loss considered in consolidation	Loss not considered in consolidation
1	Redington (India) Investments Limited	28-Jun-95	March 31, 2020	1,00,000	0.10	47.62	47.62	Share holding more than 20%	0.01	-	-	0.01

The below mentioned companies are yet to commence operation:

Redington Gulf FZE Co, Iraq
Ensure Technical Services (PTY) Ltd.

The below mentioned companies ceased operations during the FY 2016-17:

Africa Joint Technical Services
Redington Angola Ltd.

The below mentioned companies liquidated during the year:

Redington Nigeria Limited
Redington Africa Distribution FZE

The below mentioned company merged with another step-down subsidiary during the year:

Sensonet Teknoloji Elektronik ve Bilisim Hizmetleri Sanayi Ve Ticaret A.S. merged with Arena Bilgisayar Sanayi Ve Ticaret A.S

Abbreviation:

INR - Indian Rupee; AED - UAE Dirham; QAR - Qatari Riyal; OMR - Omani Riyal; USD - US Dollar; NGN - Nigerian Naira; KES - Kenyan Shilling; SAR - Saudi Riyal;
EGP - Egyptian Pound; BHD - Bahrain Dinar; GHS-Ghanaian Cedi; UGX - Uganda Shilling; MAD-Moroccan Dirham; XOF- West African CFA Franc; BDT - Bangladesh Taka; TZS-tanzania Shilling; ZAR-South African Rand; RWF-Rwandan Franc; KZT-Kazhakstani tenge; LKR- Srilankan Rupee; TRY- Turkish Lira.

for and on behalf of the Board of Directors

Raj Shankar

Managing Director
(DIN-00238790)
Place : Singapore

S V Krishnan

Chief Financial Officer and Whole-time Director
(DIN-07518349)
Place : Chennai

M Muthukumarasamy

Company Secretary
Place : Chennai
Date : June 11, 2020

Redington (India) Limited

Regd. Office: SPL Guindy House, 95, Mount Road, Guindy, Chennai - 600 032

CIN: L52599TN1961PLC028758

Website: www.redingtongroup.com

E-mail ID: investors@redington.co.in

Phone no.: 044 42243353 Fax No.: 044 22253799

NOTICE CALLING FOR ANNUAL GENERAL MEETING

NOTICE is hereby given that the TWENTY SEVENTH ANNUAL GENERAL MEETING of the members of the Company will be held on Wednesday, August 12, 2020, at 10.00 A.M through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business :

ORDINARY BUSINESS

Item No. 1 - Adoption of Standalone Financial Statements

To receive, consider and adopt the Standalone audited Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement for the financial year ended on that date and the Report of Auditors and Directors thereon

Item No. 2 - Adoption of Consolidated Financial Statements

To receive, consider and adopt the Consolidated audited Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement for the financial year ended on that date and the Report of Auditors thereon

Item No. 3 - Re-appointment of Director retiring by rotation

To appoint Mr. Tu, Shu-Chyuan (DIN: 02336015) as a Director, who retires by rotation and being eligible, offers himself for re-appointment

Item No. 4 - Re-appointment of Director retiring by rotation

To appoint Ms. Chen, Yi-Ju (DIN: 08031113) as a Director, who retires by rotation and being eligible, offers herself for re-appointment

SPECIAL BUSINESS

Item No. 5 - Appointment of Branch Auditor

To consider and if thought fit, to pass the following as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Section 143(8) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the members of the Company be and is hereby accorded to reappoint Ernst & Young LLP, Singapore as Auditor for the Branch Office of the Company at Singapore for the Financial Year 2020-21, on such terms and conditions as may be fixed by the Board of Directors in consultation with the Audit Committee”.

Item No. 6 - Payment of Remuneration to Non-Executive Directors

To consider and if thought fit, to pass the following as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder and Regulation 17 and other applicable provisions of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 as amended from time to time, consent of the members of the Company be and is hereby accorded for payment of remuneration to Non-Executive Directors of the Company, by way of Commission upto a maximum limit of 1% of net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013, in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof, for a period of five years commencing from financial year ended March 31, 2020, to be divided in such manner as the Board of Directors may determine and deem fit”.

**By Order of the Board
For Redington (India) Limited**

Place : Chennai
Date : June 11, 2020

**M Muthukumarasamy
Company Secretary**

Notes:

1. The explanatory statement, pursuant to Section 102 of the Companies Act 2013 in respect of the business under item nos. 5 and 6 is attached hereto.
2. Pursuant to General Circular numbers 20/2020 dated May 05, 2020 read with 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 issued by Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities Exchange Board of India (SEBI) (hereinafter collectively referred to as “the Circulars”), considering the outbreak of CoVID-19 pandemic, companies are allowed to hold Annual General Meeting (AGM) through VC/OAVM, without requiring mandatory physical presence of members at a common venue. Hence, in compliance with the Circulars, the members can attend and participate in the ensuing AGM through VC/OAVM.
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf at the AGM, and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.
4. Participation of members through VC/OAVM will be reckoned for the purpose of ascertainment of quorum under Section 103 of the Companies Act, 2013. All resolutions shall continue to be passed through the facility of e-voting made available for the members.
5. Members of the Company under the category of Institutional Shareholders (i.e. other than Individuals, HUF, NRI, etc.) are encouraged to attend and vote at the AGM through VC/OAVM. Members intending to authorize their representatives to participate and vote at the meeting are requested to submit a scanned copy (PDF format) of the relevant Board Resolution / Authorization Letter, etc. together with attested specimen signature(s) of the duly authorised signatory (ies) who is/are authorized to vote, to the Scrutiniser (bhuvana.r@akshayamcorporate.com) with a copy marked to evoting@nsdl.co.in.
6. The details pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards - 2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM is enclosed as Annexure A to this notice.
7. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Share Transfer Agent, M/s Cameo Corporate Services Limited at their contact given elsewhere in the Notice for assistance in this regard.

8. In order to receive the statutory communications on time, the Company requests
 - a. The members who are holding shares in Physical mode to update their valid E-mail ID with the Registrar and Share Transfer Agent of the Company, Cameo Corporate Services Limited at <https://investors.cameoindia.com/> and
 - b. The members / beneficial owners holding shares in dematerialized form are requested to update their valid E-mail IDs with the respective depository participants from time to time.
9. The members holding shares in physical mode are requested to lodge/notify the communication for change of address, Bank details, ECS details, wherever applicable, mandates (if any) with the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited by sending e-mail to investor@cameoindia.com.
10. The members / beneficial owners holding shares in electronic form are requested to update user profile details to their depository participants and not to the Company or to the Registrar and Share Transfer Agent of the Company, as the Company is obliged to use only the data provided by the Depositories.
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
12. The registers and other documents as required under statutory regulations, will be made available for inspection to the members, in electronic mode without any fee, during the Annual General meeting.
13. The Company has already transferred all shares (in respect of which dividend has not been paid or claimed for seven consecutive years or more) along with unpaid or unclaimed dividend declared for the financial year ended March 31, 2012 and earlier periods to the Investor Education and Protection Fund (IEPF). Members who have so far not claimed or collected their dividends for the said period may claim their dividend and shares from IEPF, by submitting an application in the prescribed form.

Dividend for the financial year ended March 31, 2013 and shares on which dividend remains unpaid or unclaimed for a continuous period of seven years, become due for transfer to IEPF during FY 2020-21. Members who have not claimed their dividend from the abovementioned year are requested to make their claim to the Company's Registrar & Share Transfer Agent, Cameo Corporate Services Limited.

Detailed information of Unclaimed Dividend is available on Company's website www.redingtongroup.com/india for the benefit of members.

14. In compliance with the Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Depositories/Company's Registrar and Share transfer agent. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.redingtongroup.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>
15. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 6, 2020 to Wednesday, August 12, 2020 (both days inclusive). A person who is not a member as on the cut-off date (i.e August 5, 2020) should treat this Notice for information purpose only.
16. All correspondences with regard to dividends and matters related therewith may be addressed directly to the Company's Registrar and Share Transfer Agent at Cameo Corporate Services Limited at Unit: Redington (India) Limited, Subramanian Building, 5th Floor, No.1, Club House Road, Chennai - 600 002. Contact no: 044 28460390. Email Id: investor@cameoindia.com
17. **Voting through Electronic means:**

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company offers remote e-voting facility (e-voting from a place other than venue of the AGM) to all the members of the Company to cast their votes electronically on all the resolutions set forth in the notice. The Company has availed the facilities of National Securities Depository Limited (NSDL) for facilitating e-voting.

The remote e-voting period commences on August 9, 2020 (9:00 am) and ends on August 11, 2020 (5:00 pm). The e-voting module will be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. August 5, 2020.

The Company has appointed Ms. CS R Bhuvana, Practising Company Secretary, as the 'Scrutiniser' for conducting the E-Voting process in a fair and transparent manner.

The Board of Directors has appointed Mr. S. V. Krishnan, Chief Financial Officer and Whole Time Director and Mr. M. Muthukumarasamy, Secretary of the Company as the persons severally responsible for the entire e-voting process.

The Scrutiniser shall make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman within a period not exceeding 48 hours from the conclusion of the AGM.

The results would be declared on or after the date of AGM of the Company by the Chairman or the person authorized by him. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.redingtongroup.com/india and on the website of NSDL and shall be forwarded to the Stock Exchanges.

Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e August 5, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or agm@cameoindia.com. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

Contact Details		
Company's Registrar and Share Transfer Agent	Cameo Corporate Services Limited	Subramanian Building, 5th Floor, No.1, Club House Road, Chennai - 600 002. Contact no: 044 28460390. Email Id: agm@cameoindia.com
Scrutinizer	Ms CS R Bhuvana, Practising Company Secretary	bhuvana.r@akshayamcorporate.com
E-voting Facility Provider	National Securities Depository Limited (NSDL)	evoting@nsdl.co.in Toll free no.: 1800-222-990.

The Instructions for members for e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is given below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow the steps mentioned below in 'Process for those shareholders whose e-mail IDs are not registered'.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "Forgot User Details/Password" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Click on "Physical User Reset Password" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick (✓) on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares

and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bhuvana.r@akshayamcorporate.com, with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Process for registration of e-mail IDs for receiving Annual Report and login details for e-voting and for participation in AGM through VC/OAVM to those shareholders whose e-mail IDs are not registered

1. In case shares are held in physical mode, please get your email address registered with Company's Registrar M/s. Cameo Corporate Services Limited, by clicking the link: <https://investors.cameoindia.com/> and follow the registration process as guided therein. You are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e mail id.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, Client master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar card) by e-mail to evoting@nsdl.co.in.

The instructions for members for e-voting on the day of the AGM are as under -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

The shareholders may refer the Frequently Asked Questions (FAQs) and e-voting user manual available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in for any grievances connected with the facility for e-Voting on the day of the AGM.

Instructions for members for attending the AGM through VC/OAVM and for voting during AGM are as under -

1. Members will be provided with a facility to attend the AGM through VC/OAVM through NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for joining meeting through VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Desktops or Laptops or Tablets for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from Desktops or Tablets or Laptop via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members can join the AGM in VC/OAVM mode, between 15 minutes before and after the scheduled time of commencement of the meeting by following the procedure mentioned in this notice.
6. The facility for participation in the AGM through VC/OAVM will be available for 1000 members on first-come-first-served basis. This will not include large shareholders (i.e shareholders holding 2% or more shareholding), Institutional Investors, Directors, Key Managerial Personnel, Auditors, etc., who are allowed to attend the AGM without restriction on account of first-come-first-served basis.
7. Shareholders who would like to express their views/ask questions may express the same through any of the following options -
 - A. **Through Registered E-Mail ID:** Shareholders may send their views/questions in advance, mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investors@redington.co.in from August 6, 2020 (09.00 AM) to August 10, 2020 (05.00 PM). Members are requested to send their e-mail with the subject titled *"AGM 2020 - Expression of views/questions"*. The same will be replied by the Company suitably.
 - B. **Being a speaker during AGM:** Members may register themselves as speaker by sending their request from their registered e-mail address mentioning their name, demat account number/folio number, email ID, mobile number at investors@redington.co.in on or before the closing business hours of August 9, 2020. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers, upto 10 members, on first-come-first-served basis.

Explanatory Statement to the Notice

Item No. 5

The Company had appointed Ernst & Young LLP, Singapore (EY) as Auditors for the Branch office at Singapore for the Financial Year 2019-20, in the Annual General Meeting held on July 30, 2019. As the term of office of EY has expired on 31st March 2020, it is proposed to re-appoint EY, as Auditors for the Branch office at Singapore for the Financial Year 2020-21.

The Board recommends the resolution set out in item no. 5 of the Notice for the approval of members.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution no. 5 set out in this Notice.

This item is considered unavoidable, and hence included in this notice.

Item No. 6

The members of the Company at their meeting held on August 3, 2015 approved the payment of commission to Non-Executive Directors upto a limit of 1% of net profits of the Company subject to the applicable provisions of the Companies Act, 2013 and the then Clause 49 of Listing Agreement, for a period of five years from the financial year ended March 31, 2015.

Considering the contribution and guidance of the Non-Executive Directors for the progress of the Company, it is proposed to continue payment to the Non-Executive Directors a commission out of the net profits of the Company, subject to the applicable provisions of the Companies Act, 2013, for a further period of five years from the financial year ended March 31, 2020.

The Board recommend the resolution set out in item no. 6 of the Notice for approval of members.

None of the Directors, other than the Non-Executive Directors of the Company to the extent of their shareholding, Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution no. 6 set out in this Notice.

This item is considered unavoidable, and hence included in this notice.

**By Order of the Board
For Redington (India) Limited**

**M Muthukumarasamy
Company Secretary**

Place : Chennai

Date : June 11, 2020

Annexure A

Details of Directors seeking re-appointment at the Annual General Meeting as on March 31, 2020

Name of the Directors	Mr. Tu, Shu-Chyuan	Ms. Chen, Yi-Ju
	DIN: 02336015	DIN: 08031113
Date of Birth	January 18, 1958	July 09, 1972
Age	62 years	47 years
Date of Appointment / Re-appointment	October 24, 2008	December 26, 2017
Experience	Mr. Tu, Shu-Chyuan has overall 37 years of experience in global IT industry. He joined Synnex in 1994 and held a series of management positions. He is currently the VP of business development of Synnex. Prior to joining Synnex, he worked for various computer networking companies in the State and had focused expertise in planning and management.	Ms. Chen, Yi-Ju has more than 20 years of working experience in Financial Investment and IT industry with solid experience in Corporate Finance. She joined Synnex in 2008 and now, is in charge of overseas subsidiaries management and investment management. In Synnex, she participated in several JV projects, including the cases in Indonesia and Vietnam. Prior to joining Synnex, she worked with CMC Magnetics Corporation, Argus Technologies and Lite-On Group.
Qualifications	Engineering Graduate from the National Chiao Tung University, Taiwan and has a Master's degree in Computer Engineering from San Jose State University, USA	Graduate in Agri-Economics from National Taiwan University, with major in International Finance
Expertise in specific business function	Business Strategy	Corporate Finance
Last drawn remuneration for FY19	NIL	NIL
Remuneration sought to be paid	NIL	NIL
Directorship in other Indian Public Limited Companies other than Redington (India) Limited	NIL	NIL
Shareholding details in the Company	NIL	NIL
Period of Appointment	Subject to retirement by rotation	Subject to retirement by rotation
Relationship between Directors, Manager and other Key Managerial Personnel <i>Inter-se</i>	NIL	NIL

For details on number of Board Meetings attended during the year, please refer to the Report on Corporate Governance which is a part of this Annual Report.



Registered Office:

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