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.

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 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.

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 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.

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.

l. 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.

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 financials 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.

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

₹ in Crores

Description	Gross carrying value					Accumulated depreciation					Net carrying value	
	As at Apr 01, 2019	Additions	Transfer to IP*	Deletions	As at Mar 31, 2020	As at Apr 01, 2019	For the year	Transfer to IP*	Deletions	As at Mar 31, 2020	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	12.01	2.01	11.73	-	2.29	4.16	45.72
Previous year	57.87	-	-	0.14	57.73	8.93	3.19	-	0.11	12.01	45.72	48.94
Plant and machinery												
Current year	8.05	0.16	-	0.14	8.07	4.71	0.89	-	0.07	5.53	2.54	3.34
Previous year	6.68	1.50	-	0.13	8.05	3.39	1.41	-	0.09	4.71	3.34	3.29
Furniture and fixtures												
Current year	12.89	0.13	-	-	13.02	8.99	1.29	-	-	10.28	2.74	3.90
Previous year	12.52	0.55	-	0.18	12.89	7.56	1.54	-	0.11	8.99	3.90	4.96
Office equipment												
Current year	9.35	0.41	-	0.02	9.74	4.77	1.43	-	0.02	6.18	3.56	4.58
Previous year	9.56	0.38	-	0.59	9.35	3.59	1.72	-	0.54	4.77	4.58	5.97
Computers												
Current year	11.49	5.09	-	0.26	16.32	7.95	2.91	-	0.23	10.63	5.69	3.54
Previous year	10.47	1.65	-	0.63	11.49	6.08	2.38	-	0.51	7.95	3.54	4.39
Vehicles												
Current year	8.62	2.21	-	1.06	9.77	3.70	1.81	-	0.82	4.69	5.08	4.92
Previous year	8.65	2.07	-	2.10	8.62	3.23	1.67	-	1.20	3.70	4.92	5.42
Property, plant and equipment total												
Current year	125.97	8.00	64.67	1.48	67.82	42.13	10.34	11.73	1.14	39.60	28.22	83.84
Previous year	123.59	6.15	-	3.77	125.97	32.78	11.91	-	2.56	42.13	83.84	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.

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".

Stock Appreciation Right (SAR) related stock compensation expense of subsidiaries borne by the Company classified as investment cost are as follows:

₹ in Crores

Name of the entity	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

₹ in Crores

Particulars	March 31, 2020	March 31, 2019
Unsecured, considered good		
Deposits	2.68	2.08

11. Deferred tax assets (net)

Recognised deferred tax assets (net) **₹ in Crores**

Particulars	March 31, 2020	March 31, 2019
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 **₹ in Crores**

Particulars	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 comprehen-sive 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	-

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 comprehen-sive income	Recognised in the statement of profit and loss	Recognised in the other comprehen-sive 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

₹ in Crores

Particulars	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

₹ in Crores

Particulars	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

₹ in Crores

Particulars	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

₹ in Crores

Particulars	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.

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:

₹ in Crores

Particulars	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**

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

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**

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 Cores). 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-imbursement 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:

₹ in Crores

Particulars	Amount
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**

Particulars	Amount
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:

₹ in Crores

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		
Particulars		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
Borrowings:				
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**
Trade Payables:				
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**
Receivables – Other financial assets:				
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.

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	-	-
< 1year				
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

	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 Iletisim Hizmetleri Ve Tuketici Elektronigi Sanayi Ve Ticaret A.S., Turkey
	Online Elektronik Ticaret Hizmetleri A.S., Turkey
	Paynet (Kibris) 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 Elelektronık Ve Bılısım Hızmetlerı Sanayı Ve Tıcaret Lımıted 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 Parties having Significant Influence	2018-19 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 Subsidiary Companies	2018-19 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

Nature of Transactions	2019-20 Subsidiary Companies	2018-19 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 Subsidiary of associate	2018-19 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 Key Management Personnel	2018-19 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 pervious 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

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.

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.

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