

Notes to audited results for the year ended March 31, 2008

1. The consolidated financial results have been prepared in accordance with Accounting Standard – 21 “Consolidated Financial Statements” and includes financial results of its wholly owned subsidiaries viz. Cadensworth (India) Limited, Nook Holdings Limited, Easyaccess Financial Services Limited, Redington (India) Investments Private Limited and consolidated financials of Redington Gulf FZE and its subsidiaries and Redington Distribution Pte. Limited and its subsidiary.
2. Pursuant to the approval of the shareholders at their Extra-ordinary General Meeting held on February 27, 2008 the Compensation Committee at its meeting held on February 29, 2008 granted 23,35,973 options at an exercise price of Rs.348.05 to the employees / non-whole-time directors of the Company and its subsidiaries under the Employee Stock Option Plan 2008. The exercise price has been computed based on the market value, which is the closing price on National Stock Exchange of India Limited on a day preceding the date of grant i.e. February 28, 2008. Out of the options granted, 1,30,113 options lapsed and 22,05,860 options were outstanding as on March 31, 2008.
3. Out of the net proceeds of initial public offer, a sum of Rs.10755.83 lakhs has been utilized for the objects stated in the offer document. Out of the unutilized IPO funds, a sum of Rs.970 lakhs are held in fixed deposits with banks and the balance amount of Rs.2173.67 lakhs are utilized for meeting working capital requirements of the Company.
4. Other income on consolidated basis for the year ended March 31, 2008 includes interest income of Rs.591.83 lakhs on short-term deposits with banks.
5. Pursuant to the announcement of the Institute of Chartered Accountants of India (ICAI) in respect of “Accounting for Financial Instruments”, the Company has opted to follow the recognition and measurement principles relating to foreign exchange contracts as specified in AS 30 “Financial Instruments, Recognition and Measurement”, from the year ended March 31, 2008. Consequently, as of March 31, 2008, the Company has recognized Mark to Market (MTM) Losses of Rs.69.67 Lakhs relating to forward contracts entered into to hedge the foreign currency risk of highly probable transactions that are designated as effective cash flow hedges, in the Hedge Reserve Account as part of the Shareholders funds.
6. The Company primarily operates in the business segment of distribution and after sales & service of IT related products and as the turnover from sale of telecom products, consumer durables and other non IT products are less than 10% of the total turnover, there are no reportable segments as required to be disclosed under the Accounting Standard 17 “Segment Reporting”. Although the Company’s operations cover various States in India, the State laws have no significant impact on profitability. Accordingly there are no geographical segments to be reported on.

Redington (India) Limited and its subsidiaries (Group) operates in India, Middle East, Africa and Singapore and as the turnover from the overseas operations constitutes

more than 10% of the total turnover, geographical segment has been considered as the primary segment for consolidated financial results.

7. Previous year figures have been regrouped to conform to the current year's classification.
8. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 16, 2008.
9. Board of Directors has recommended a Dividend of 35%, i.e. Rs.3.50 per equity share, for the financial year ended March 31, 2008.
10. During the quarter ended March 31, 2008, 40 complaints were received from investors and all were resolved. No complaints were pending at the beginning and at the end of the quarter.

For Redington (India) Limited

Place: Chennai
Date: May 16, 2008

R Srinivasan
Managing Director