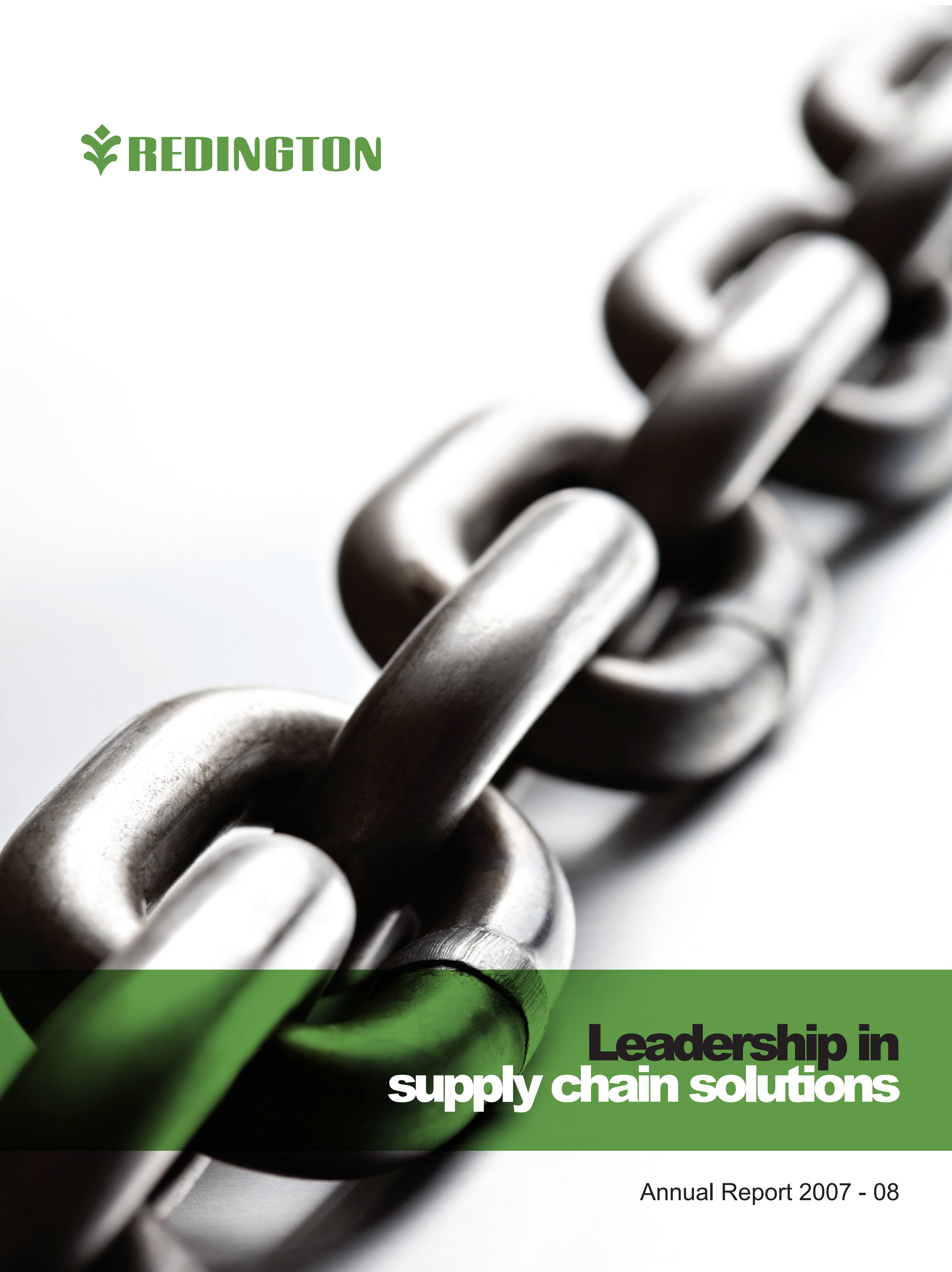
REDINGTON



Leadership in supply chain solutions

Annual Report 2007 - 08

CORPORATE INFORMATION

Board of Directors	**Chairman** Prof. J. Ramachandran
	Managing Director Mr. R. Srinivasan
	Deputy Managing Director Mr. Raj Shankar
	Whole-time Director Mr. M. Raghunandan
	Directors Mr. R. Jayachandran Mr. Huang Chi Cheng Mr. Hu, Jia Lung Mr. Steven A. Pinto Mr. William Adamopoulos
Company Secretary	Mr. M. Muthukumarasamy
Statutory Auditors	Deloitte Haskins & Sells Chartered Accountants
Internal Auditors	Pricewaterhouse Coopers Chartered Accountants
Bankers	ABN AMRO Bank N.V Bank of Nova Scotia Barclays Bank PLC BNP Paribas Citibank N.A. Deutsche Bank AG HDFC Bank Limited Hongkong and Shanghai Banking Corporation Limited ICICI Bank Limited IDBI Bank Limited IndusInd Bank Limited ING Vysya Bank Limited Kotak Mahindra Bank Limited Standard Chartered Bank State Bank of India Union Bank of India Yes Bank Limited
Registered Office	SPL Guindy House, 95, Mount Road, Guindy, Chennai - 600 032. Tel : + 91 44 2235 3313 Fax : + 91 44 2235 2790
Website	www.redingtonindia.com

LETTER FROM THE MANAGING DIRECTOR

Dear Shareholder,

It gives me immense pleasure to present before you the Company's Fifteenth Annual Report for the financial year 2007-08. This is the second Annual Report of your Company, since its Initial Public Offer in January 2007.

Consolidated turnover for the year grew by 20% to Rs. 10,870 Crores compared to Rs.9,061 Crores during the previous year. Apart from India, your Company is present through its subsidiaries in Middle East, Africa, South Asia and Singapore markets. Overseas operations contributed 47% to the consolidated turnover and 48% to the consolidated earnings. In Middle East, your Company's subsidiary continues to be the No. 1 player in the IT products distribution space for the 3rd successive year. All this demonstrates your Company's capabilities to operate in diverse, difficult but potential geographies. In the ensuing years, your Company shall focus to expand its scale of its overseas operations through a combination of both organic and inorganic growth.

During the year, your Company witnessed a strong growth both in IT and Non-IT segments and continued to partner with reputed global vendors. The revenues from managing the supply chain for IT products continued to be a significant portion of the total revenues while Non-IT segment with brands in digital lifestyle entertainment, telecom and digital printing press has also grown. This has resulted in consistent growth in revenue and earnings in all the four quarters of last financial year.

In my letter to you last year, I had mentioned that your Company would be setting up four Automated Distribution Centres in India and one in Dubai. In addition to Chennai, where land was acquired last year, land has been acquired in Delhi and Kolkata in the current year. Your company's subsidiary at Dubai, has been allotted land on ten year lease by Jebel Ali Free Zone Authorities for construction of ADC at Dubai. For the Chennai project, project management consultants have been appointed and civil tendering process is currently on. When completed, these ADC's shall augment your Company's capabilities in the supply chain solutions space.

Your Company's capabilities to support products during warranty and post warranty provide an important value-add to the brand owners and this makes your company's business model unique. During the year, your Company added 3 new service centres, 47 partner-owned service centres and high-level repair centres taking the total to 206 centre in India. The LCD panel repair facility set up in

Chennai by your Company's subsidiary commenced operations during the year. This move into high-end repair activities would improve the profitability of the services segment.

In January 2008, your Company acquired 100% shareholding of Easyaccess Financial Services Limited (Easyaccess), a Non-Banking Finance Company. This NBFC besides factoring receivables would be engaged in meeting the financial requirements of channel partners in the IT eco-system. I am happy to inform you that within two months of commencing operations after our acquisition, Easyaccess disbursed Rs. 477 crores and posted a profit after tax of Rs. 1.22 crores.

It gives me great pleasure to share with you that *Business Week*, *USA* rated your Company 55 amongst the top global tech companies. In terms of total return to shareholders, your Company was ranked "Global number 3".

In July 2007, Mr. Raj Shankar was appointed as the Deputy Managing Director. A large part of your Company's success in overseas market is due to his leadership and this elevation would provide an additional depth to your company's senior management. Mr. William Adamopoulos joined the Board of your Company during the year. He is a Harvard graduate and is currently the President and Publisher of Forbes Asia. His experience in global finance and economics shall benefit your Company.

Since August 2007, the turbulence in the financial markets of the West is also spreading to the developing countries. While a combination of global and local factors could moderate the growth momentum in the economies where your Company operates, I believe that the long-term growth story is still intact. With its unique business model, proven execution capabilities and presence in potential markets, your Company is poised to handle a greater share of businesses in the supply chain solution space, in the coming years.

I take this opportunity to thank the Shareholders for their confidence in Redington and look forward to their continued support in the coming years.

Warm regards,

R. Srinivasan

R. Srinivasan
Managing Director.
June 3, 2008

SIX YEARS AT A GLANCE

Standalone Financials

(Rs. in crores)

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Total Revenue	**5,780.27**	4,717.53	3,696.62	2,507.48	1,960.20	1,528.54
EBIDTA	**148.25**	101.76	68.90	45.00	35.83	26.87
PBT	**103.57**	65.63	45.33	27.21	24.54	16.57
PAT	**67.11**	42.42	29.14	17.26	15.49	10.57
Networth	**569.56**	535.02	367.63	316.34	104.98	89.49
Capital Employed	**821.82**	852.09	566.96	428.78	174.26	134.03
EBIDTA Margins	**2.56%**	2.16%	1.86%	1.79%	1.83%	1.76%
PAT Margins	**1.16%**	0.90%	0.79%	0.69%	0.79%	0.69%
Return on Average Capital Employed *	**25.87%**	19.85%	20.45%	19.08%	21.37%	17.99%
Return on Average Equity *	**24.60%**	17.91%	17.45%	13.17%	15.96%	12.32%
EPS (Rs.) #	**8.62**	6.41	4.79	4.30	5.27	3.60
Book Value per Share (Rs.)	**73.15**	68.71	58.28	52.12	35.72	30.45

For EPS calculation, weighted average number of equity shares have been considered.

* Investments made in wholly owned Subsidiaries are excluded.

Consolidated Financials

(Rs. in crores)

Particulars	**2007-08**	**2006-07**	**2005-06**	**2004-05**	**2003-04**	**2002-03**
Total Revenue	**10,883.81**	9,067.14	6,795.52	4,053.93	1,960.20	1,528.54
EBIDTA	**259.04**	198.47	131.06	83.93	35.90	26.93
PBT	**177.06**	127.25	92.36	53.67	24.57	16.59
PAT	**136.07**	101.70	74.34	42.38	15.51	10.58
Networth	**721.49**	625.61	432.86	341.29	105.60	90.10
Capital Employed	**1,505.44**	1,226.88	911.26	570.74	174.87	134.63
EBIDTA Margins	**2.38%**	2.19%	1.93%	2.07%	1.83%	1.76%
PAT Margins	**1.25%**	1.12%	1.09%	1.05%	0.79%	0.69%
Return on Average Capital Employed	**18.23%**	17.32%	17.02%	21.52%	21.29%	17.93%
Return on Average Equity	**20.20%**	19.22%	19.21%	18.97%	15.85%	12.22%
EPS (Rs.) #	**17.48**	15.36	12.23	10.57	5.28	3.60
Book Value per Share (Rs.)	**92.66**	80.34	68.62	56.23	35.93	30.66

For EPS calculation, weighted average number of equity shares have been considered

Note:

Financials are post acquisition of following entities - FY 05 (Redington Distribution Gulf FZE), FY 06 (Redington Distribution Pte Ltd and Cadensworth (India) Ltd) and FY 08 (Easyaccess Financial Services Ltd).

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Company will be held on Saturday, the 26th day of July 2008 at 11.00 A.M at Mini Hall, Narada Gana Sabha, New No.314 (Old No.254) T.T.K. Road, Alwarpet, Chennai – 600018, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2008, the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.

2. To declare Dividend.

3. To appoint a Director in place of Prof. J. Ramachandran, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. R. Jayachandran, who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Deloitte Haskins & Sells, Chartered Accountants, the retiring Auditors, are eligible for re-appointment.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

   "RESOLVED that Mr. William P. Adamopoulos, Additional Director, appointed in terms of Regulation 22 of the Articles of Association of the Company to hold office till the conclusion of this Annual General Meeting of the Company be and is hereby appointed as Director of the Company liable to retirement by rotation."

7. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

   "RESOLVED that pursuant to the provisions of the Companies Act, 1956 and subject to such other approvals, permissions and sanctions as may be necessary, consent of the members be and is hereby accorded to vary the cost estimates as contained in the 'object of the issue' clause of Prospectus dated January 31, 2007, to meet the additional fund requirements /expenditure incurred / to be incurred due to escalation in the cost for setting up of Automated Distribution Centres (ADCs) at Chennai, Mumbai, New Delhi, and Kolkata including cost of land, construction and expenditure incurred /to be incurred for procurement of warehouse management software, process handling equipments from internal accruals and borrowings."

   "RESOLVED further that Board of Directors of the Company be and are hereby authorized to do or cause to execute, sign and deliver such documents, as may be required, necessary expedient or desirable to give effect to this resolution."

By Order of the Board
for **Redington (India) Limited**

Chennai
June 03, 2008

M. Muthukumarasamy
Company Secretary

Notes :

1. The relative explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under Item No. 6 and 7 is attached hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A BLANK PROXY FORM IS ENCLOSED FOR THE USE BY MEMBERS, IF REQUIRED, WHICH MUST BE SUBMITTED WITH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 21st day of July, 2008 to Saturday, the 26th day of July, 2008 (both days inclusive) for the purpose of payment of Dividend.

4. The Dividend as recommended by Board of Directors if approved at the meeting, will be paid as under-

   a. To all beneficial owners in electronic form as per data as may be made available by NSDL and CDSL as of close of business hours as on July 17, 2008.

   b. To all shareholders in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on July 20, 2008.

5. All correspondence with regard to share transfers/ dividends and matters related therewith may directly be addressed to the Company's Registrar and Share Transfer Agents, M/s. Cameo Corporate Services Limited, 'Subramanian Building', No. 1, Club House Road, Chennai -600 002.

6. The Members are requested to lodge/notify the transfer deeds, communication for change of address, Bank details, ECS details, mandates (if any) with the Company's Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Limited, for shares held in physical mode.

   The shareholders holding shares in electronic form are requested to lodge the above details to their depository participants and not to the Company or to the Registrar and Share Transfer Agents of the Company as the Company is obliged to use only the data provided by the Depositories while making payment of dividend.

7. Members/Proxy holders are requested to produce at the entrance of the AGM auditorium the enclosed attendance slip duly completed and signed.

8. Members who have not yet encashed the dividend warrants for the financial year 2006-07 are requested to present the same for revalidation to our Registrar and Share Transfer Agents, M/s. Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai – 600 002.

9. Full information regarding re-appointment of Directors retiring by rotation and appointment of Director is given in the Corporate Governance Report forming part of the Annual Report. As Mr. R. Vijaraghavan has resigned on May 31, 2008, he will not be getting re-appointed. None of the Directors proposed to be appointed at the Annual General Meeting of the Company hold shares in the Company.

10. The Ministry of Corporate Affairs, Government of India, vide their letter No.: 47/61/2008-CL-III dated 21st April 2008 granted exemption from annexing the accounts of subsidiary companies with the accounts of the Company.

11. In line with the provisions of amended Clause 32 of the Listing Agreement and circular issued by SEBI, the Company has opted to circulate abridged consolidated and standalone annual accounts of the Company for the financial year under review. The detailed annual accounts of the Company and its subsidiaries are available on any working day at the Registered Office of the Company to the shareholders of the Company requiring such information.

EXPLANATORY STATEMENT
PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

Mr. William Adamopoulos was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 25th October 2007 and holds office till the Annual General Meeting. Mr. William Adamopoulos is a graduate of Harvard College and is an expert in Global Finance and Economics. He is currently the President and Publisher of Forbes Asia and before this, he was the Publisher and Managing Director of The Asian Wall Street Journal. He carries a rich experience in the print and media industry. In June 2001, Adage Global named Mr. Adamopoulos one of the top 30 global dealmakers in the media world.

Notice is received under Section 257 of the Companies Act, 1956, from a member for his appointment together with the requisite deposit amount.

The Directors, therefore, recommend the resolution set out at Item No. 6 for approval.

Except Mr. William Adamopoulos, none of the Directors of the Company is interested in this resolution.

Item No. 7

In the 'Object of the Issue' section of the Prospectus dated January 31, 2007 filed by the Company with the Registrar of Companies, Tamil Nadu, Securities and Exchange Board of India and Stock Exchanges, one of the object was to set up Automated Distribution Centres (ADCs) at Chennai, Mumbai, Delhi and Kolkata. The capital expenditure proposed then for these four ADCs including land cost, construction cost and expenditure to be incurred for procurement of warehouse management software, process handling equipments and safety and security equipments, was estimated at Rs.512.16 Million. At the time of IPO, setting up of ADCs was in preliminary state and the Company had neither identified any land nor placed any orders for purchase of any of the items stated in the aforementioned prospectus.

In the recent past, the land cost at all places in India has gone up significantly beyond the estimates made at the time of drafting the offer documents. Apart from the increase in the cost of land, other expenditures i.e. construction cost and expenditure for procurement of warehouse management software, process handling equipments and safety and security equipment is expected to have considerable price escalation impact.

Further, based on the discussions with various project management consultants and considering the future growth plans, the management proposed to revise the size and capacity of the ADCs which would result in overall increase in the estimates made for setting up of ADCs.

The management is proposing to meet the additional expenditure in the purchase of the land for setting of ADCs and other infrastructure facilities from the internal accruals and borrowings. The ADCs will enable the Company to scale up its operations and reduce the cost.

The Directors recommend the resolution set out in Item No.7 as above for approval.

None of the Directors of the Company is interested in this resolution.

By Order of the Board
for **Redington (India) Limited**

Chennai
June 03, 2008

M. Muthukumarasamy
Company Secretary

To the Members,

Your Directors have pleasure in presenting the Fifteenth Annual Report of your Company for the year ended 31st March 2008.

Financial Highlights (Rs. in Crores)

Particulars	Consolidated		Stand alone	
	2007-08	2006-07	**2007-08**	2006-07
Net Sales / Income from operations	**10,870.06**	9,061.39	**5,771.00**	4,712.56
Other Income	**13.75**	3.48	**9.27**	4.55
Total Revenue	**10,883.81**	9,064.87	**5,780.27**	4,717.11
Total Expenditure				
a) Cost of goods sold	**10,339.84**	8,659.45	**5,488.70**	4,512.01
b) Trading Expenditure	**34.85**	25.46	**21.15**	14.94
c) Staff Cost	**118.65**	80.36	**61.55**	40.46
d) Other Expenditure	**131.43**	101.13	**60.62**	47.94
Profit before Interest, Depreciation and Tax	**259.04**	198.47	**148.25**	101.76
Less : Interest	**72.00**	57.94	**40.66**	32.64
Less : Depreciation	**9.98**	13.28	**4.02**	3.49
Profit before Tax	**177.06**	127.25	**103.57**	65.63
Provision for Taxation	**40.99**	25.55	**36.46**	23.21
Profit after Tax	**136.07**	101.70	**67.11**	42.42

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

Proposed Dividend @ 35% i.e. Rs.3.50 per share	: Rs. 27.25 Crores
Dividend distribution tax	: Rs. 4.63 Crores
Transfer to General Reserve	: Rs. 6.71 Crores
Balance to be Carried Forward	: Rs. 28.52 Crores

Dividend

Your Directors recommend a dividend of 35% (Rs.3.50 per Equity Share of Rs.10/- each) for the year ended March 31, 2008, as compared to 25% (Rs.2.50 per share) for the previous year.

Performance

The consolidated revenue of the Company for the year was Rs.10,884 crores as against Rs.9,065 crores in the previous year. The total revenue has grown at a CAGR of 53% for the last five years. The consolidated profit after tax for the year was Rs.136 crores as against Rs.102 crores in the previous year, with a CAGR of 72% for the last five years.

The Standalone revenues of the Company and the PAT for the year ended March 31, 2008 was Rs.5,780 crores and Rs.67 crores respectively as against Rs.4,717 crores and Rs.42 crores during the previous year.

The Earnings per Share (EPS) on consolidated basis on weighted average number of equity shares increased to Rs.17.48 in the current year as compared to Rs.15.36 in the previous year.

Distribution Business for Information Technology Products

The PC penetration level is still low in India compared to world average and even compared to many of the emerging markets. This offers high potential for growth in the IT products distribution segment, which revolves around the growth of Personal Computers (PC).

The Central Government and various State Governments are in the process of automating their administrative departments for better efficiency and online information flow. Educational institutions have also made IT education compulsory. Till few years back, the demand was primarily centred on Tier 1 cities. Now, there is a steady visible shift to Tier 2 & Tier 3 cities. All these, supported by favourable macro-economic conditions and the entry of large format retail stores, have contributed to an all round increase in the IT products demand in the country. Your company being a dominant player in the IT products distribution segment in India captured sizeable part of this growth and was able to grow its revenue from IT products by around 19% in the financial year under review.

Revenue from sale of IT products remained buoyant throughout the year for your company. In addition to the market growth, your company's growth was also supplemented by consistent addition of new product lines in the existing portfolio, tie-up with new brands, increased reach by opening new branches and warehouses and broad-basing customer base through new partners. During the year, your company added 5 brands to its portfolio, taking the total to 44 brands in the IT products distribution segment. Your company also opened new branches cum warehouses at Agra, Varansi, Mysore, Vijayawada and Tirunelveli with a clear strategy to move into smaller cities and be closer to the customers. The customer base which was at around 12,048 by end of 2006-07, has moved up to 14,458 by end of 2007-08, a growth of 20%.

Though your company was a late entrant in the Value products space (Networking products, Software products, High-end Servers, Storage products, etc.), it currently occupies a dominant position in this segment in the Indian market. This migration has enabled your company to increase its profitability on a consistent basis.

Distribution Business for Non-Information Technology Products

The supply chain model in the Non-IT products distribution space is also similar to the IT industry. Currently, there are no players in this space with pan-India presence. This enabled your company to scale up its operations in this space and it has tied-up with brands like LG, Whirlpool, Microsoft Xbox and Apple iPod for distributing their products in the country. The products that are being dealt with in this space include digital printing categories, digital lifestyle categories, consumer electronics and telecommunication products. The customers and the products in this space being different from the IT space, enables your company to de-risk its business model in terms of managing credit and product obsolescence risk. Our presence in this space along with tie-up with reputed brands has helped us to engage and build closer relationship with large format retailers who are setting up retail outlets across the country. Considering the reach and strong delivery capabilities, your company is well poised to be an important supplier for these large format retailers to source their product requirements through your company in future.

Service Business

Service business, during the year 2007-08, continued to be encouraging. The service business registered 29% growth in revenue and this was achieved by expansion of geographical reach, increasing our own Service network and tie up with Partners. With the increased number of Service Centres, your Company is well poised to capture the opportunities in this growing segment in the coming years.

Your Company made a concerted effort to move up the value chain in the Services space and started operating High Level Repair Centres (HLRC) focused on telecom products space. These initiatives are of strategic importance. This is expected to generate additional earnings for the Company in the years to come. These projects are a result of the Company's vision to move to higher level technology where there is premium for services rendered.

Automated Distribution Centre

Considering the growing requirement of warehouse space for your company and with a clear objective of establishing the company as an important player in the fast growing Third Party Logistics (3PL) space, your Company is in the process of creating infrastructure by setting up Automated Distribution Centres (ADC) in four Metros in India. While the current warehouses that are used by your company are on lease, these ADCs would be company owned. In addition to providing huge capacity to handle growth for the next few years, this initiative is expected to result in savings in rent. Usage of higher vertical space, high technology material handling equipments and warehouse management software, is expected to result in increased operational efficiencies.

Towards this objective your Company has purchased land for construction of ADCs in Delhi and Kolkata during the year. This is in addition to the land that was purchased at Chennai towards the end of last financial year. The company is in the process of developing the 1st ADC at Chennai and this is expected to be ready for operation by the last quarter of 2008-09.

Performance of overseas subsidiaries

During the year, all the overseas subsidiaries of your company have performed well both in terms of revenue as well as earnings.

Your Company has two direct overseas subsidiaries namely Redington Gulf FZE (for Middle East and Africa operations) and Redington Distribution Pte Ltd (for Singapore and South Asia operations). Overseas revenue grew by 27% and profits by 28% in the current year compared to the previous year.

In the current upward rally in the Global Crude prices, the Middle East and some of the African markets are expected to remain very buoyant.

Redington Gulf FZE (RGF), the largest of the overseas subsidiaries, has increased its geographical presence in Middle East and African market, by setting up a subsidiary in Bahrain (Redington Bahrain SPC, Bahrain) and a step-down subsidiary in Qatar (Redington Qatar Distribution WLL, Qatar) during 2007-08 to start in-country operations in those countries.

Redington Gulf FZE has been allotted land on 10 year lease by Jebel Ali Free Zone Authorities for developing an ADC for its MEA operations. While consolidating the operations in that geography, this would also enable the subsidiary to reduce its spiraling rent cost and enhance its delivery efficiency. The subsidiary is also in the process of implementing SAP ERP for its MEA operations, to position itself to scale up its operations in order to capture the growing demand in that market.

In addition, the subsidiary has opened a service centre measuring approximately 7000 sq. ft in Dubai and received the ISO 9001:2000 Certification in April 2008.

Foray into Financial Service Segment

Easyaccess Financial Services Ltd. (Easyaccess): With an objective to meet the financing requirement of Channel Partners in the IT distribution industry and to factor your company's outstanding receivables through a separate finance entity, your company acquired 100% shareholding in Easyaccess, an existing RBI licensed NBFC, in January 2008 for Rs. 2.74 Crores and invested an additional Rs. 80 Crores in equity share capital of the company during February 2008. Easyaccess obtained P1+ rating (Highest rating for short term borrowings) from CRISIL for Rs. 350 Crores. In the first two months of its operations ending 31st March 2008, Easyaccess's disbursals touched around Rs. 477 Crores and the company made a profit after tax of Rs. 1.22 Crores.

The detailed report on the Indian and Overseas operations of your company and its subsidiaries is provided in the enclosed Management Discussion and Analysis statement.

Awards

Your Company continued to bag some prestigious awards from its suppliers and others. While details of the awards are given separately elsewhere in this Annual Report, your Directors are pleased to mention that "*Channel Middle East"* has ranked RGF as No. 1 distributor in Middle East and Africa markets for the 3rd successive year.

Credit Rating

Your Company continues to enjoy for the eighth successive year the highest rating 'P1+' (read as P one plus) for short term borrowings from CRISIL indicating very strong financial position. The amount under rating got enhanced during the year from Rs.300 Crores to Rs. 500 Crores. Your company is able to access capital in the short-term Commercial Paper and Non Convertible Debenture markets. This rating by CRISIL enables the company to borrow at reduced rate of interest.

Employee Stock Option Plan 2008

Pursuant to the approval of the shareholders at the Extra-Ordinary General Meeting held on 27th February 2008 for grant of options to the employees of the Company and its subsidiaries, 23,35,973 options were granted to the non-promoter directors and employees of the Company and its subsidiaries.

The details of the equity shares granted under the Redington (India) Limited – Employee Share Purchase Scheme – 2006 and options granted under Redington (India) Limited - Employee Stock Option Plan – 2008 are given in Annexure – A.

Utilization of the Initial Public Issue proceeds

Towards the end of 2006-07, your Company went to the Capital Market with an Initial Public Offer of 1,32,31,000 equity shares of Rs.10/- each. The IPO proceeds are being deployed in accordance with the IPO Offer document.

As approved by the members at the Annual General Meeting held on 26th July 2007, IPO funds, pending full utilization for purposes stated in the offer document, are being deployed for working capital requirements and in bank fixed deposits.

However, in the case of setting up of Automated Distribution Centers (ADCs) at Chennai, Mumbai, Delhi and Kolkata, the capital expenditure required for these ADCs including land cost, construction cost and expenditure to be incurred for procurement of warehouse management software, material handling equipments, safety and security equipments as detailed in the objects section of the IPO offer documents, there is an escalation in the cost in excess of the estimates given in the offer document. The primary reasons for this escalation are the general increase in the prices of land, construction materials like cement, steel, etc. and change in the racking technology. Your Company proposes to meet the additional fund requirements for setting up of these ADCs from its internal accrual and borrowings.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of your Company, Mr. R. Jayachandran and Prof. J. Ramachandran, will retire by rotation as Directors at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment.

During the year, Mr. Raj Shankar was appointed as Deputy Managing Director with effect from 26th July 2007 for a period of five years and this appointment was approved by the shareholders at the Extra-Ordinary General Meeting held on 27th February 2008.

The Board of Directors appointed Mr. William P. Adamopoulos as an Additional Director in its meeting held on 25th October 2007 till the Annual General Meeting. He is an Independent Director on the Board. Mr. Adamopoulos carries rich experience. He is currently the President and Publisher of Forbes Asia and before this was a Publisher and Managing Director of The Asian Wall Street Journal.

Mr. William Adamopoulos, is proposed to be appointed by the members in the ensuing Annual General Meeting as a Director liable to retire by rotation and a resolution to this effect is given in the Notice to the AGM.

On joining M/s. Deloitte Haskin & Sells (your company's Statutory Auditors) as consultant, Mr. R. Vijayaraghavan, an Independent Director and the Chairman of the Audit Committee resigned as Director of the Company with effect from May 31, 2008. The Board accepted his resignation and placed on record its sincere appreciation for his valuable contribution to the growth and success of the Company.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm:

a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b. that appropriate accounting policies have been selected and applied consistently, and that the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March 2008 and of the profit of your Company for the said year;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

d. that the annual accounts have been prepared on a going concern basis.

Auditors

Messrs Deloitte Haskins & Sells, Chartered Accountants, Chennai, the Statutory Auditors of Company would retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Corporate Governance Report and Management Discussion and Analysis

The report on Corporate Governance forms part of this Annual Report.

The Management's Discussion and Analysis Report given hereinafter forms part of this Director's Report.

Additional Information relating to Conservation of Energy, Technology Absorption and Expenditure in R & D

As your Company is not engaged in manufacturing activities, the reporting requirement on these matters is not applicable.

Foreign Exchange Earnings / Outgo

Your Company earned/ spent foreign exchange as under during the year.

Earnings	:	Rs.79.94 Crores
Outgo	:	Rs.1412.44 Crores
Dividend remitted in foreign Currency	:	Rs. 14.11 Crores

Acknowledgement

Your Directors wish to place on record their appreciation for the continued co-operation received by your Company from its Vendors, Channel Partners, Bankers, Financial Institutions and other stake holders. Your Directors place on record their sincere appreciation to the contribution made by its employees at all levels of the Company and its subsidiaries.

Your Directors also wish to acknowledge the abiding interest of the shareholders and look forward to their continued support.

On behalf of the Board of Directors

Chennai — **J. Ramachandran**
June 03, 2008 — Chairman

Annexure - A (I)

The details of the equity shares granted under the Redington (India) Limited - 'Employee Share Purchase Scheme, 2006' (ESPS), are given below:-

(a) the details of the number of shares issued in ESPS	15,52,500 equity shares
(b) the price at which such shares are issued	Rs.62/- per share
(c) Employee-wise details of equity shares granted to	
(i) (a) Directors	5,86,144 equity shares
(b) Senior Management Team (Key Managerial Personnel)	1,26,626 equity shares
(c) Other Employees	8,39,730 equity shares
(ii) Employees holding 5% or more of the total number of equity shares issued during the year	NIL
(iii) Identified employees who were issued shares, during any one year equal to or exceeding 1% of the issued capital of your Company at the time of grant.	NIL
(d) Diluted EPS pursuant to issue of shares under ESPS	N.A.*
(e) Consideration received against the issuance of shares.	N.A.*

* The Company came up with an Employee Share Purchase Scheme in the year 2006. The shares were issued through ESPS Trust. The consideration received during the year 2006-07 was Rs.9,62,55,000/-. The Company did not make any fresh issue of shares under ESPS during the year.

Annexure - A (II)

The details of the options granted under the Redington (India) Limited - Employee Stock Option Plan, 2008 as at March 31, 2008.

Options Granted	23,35,973	
Pricing Formula	The members of the Company had at the Extra-Ordinary General Meeting held on 27th February 2008 approved the Scheme. As per the Scheme approved by the members, the options would be granted at the market price on the date of grant or such price as the Board of Directors may determine in accordance with the Regulations and Guidelines prescribed by the Securities and Exchange Board of India or other relevant authority from time to time	
Options Vested	Not yet vested	
Options exercised	Not Applicable	
Total number of shares arising as a result of exercise of option	Not Applicable	
Option lapsed	1,30,113	
Variance of terms of options	No variation made	
Money realized by Exercise of options	Not Applicable	
Total number of options in force	22,05,860	
Details of options granted to -	**Directors**	
	Name	**No. of options**
(i) Directors/ Senior Management	Prof. J. Ramachandran	25,000
	Mr. R. Vijayaraghavan	25,000
	Mr. Steven A. Pinto	25,000
	Mr. William P. Adamopoulos	25,000
	Senior Management	
	Name	**No. of options**
	1. Mr. P.S. Neogi	20,000
	2. Mr. E.H. Kasturi Rangan	20,000
	3. Mr. S. Venkateswara Rao	15,000
	4. Mr. S.V. Krishnan	20,000
	5. Mr. Clynton Gerard Almeida	20,000
	6. Mr. Ramesh Natarajan	20,000
	7. Mr. J.K. Senapati	20,000
	8. Mr. Dinesan K. Gangadhar	20,000
	9. Mr. P.M. Sethumadhavan	20,000
	10. Mr. Anand C.	20,000
	11. Mr. R. Sasikanth	20,000
	12. Mr. Rajesh Khetarpal	20,000
	13. Mr. Gautam Hukku	20,000

(ii) Employees holding 5% or more of the total number of options granted during the year	Nil
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	Not Applicable
Where the Company has calculated the employee compensation cost using the intrinsic value of Stock Options, the difference between the employee compensation cost that shall have been recognised if it had used the fair value of Options. The impact of this difference on profits and on EPS of the Company.	The Company has used intrinsic value for calculating the employee compensation cost with respect to the stock options. The impact on the profit of the Company for the year ended March 31, 2008 and the basic and diluted earnings per share, had the Company followed the fair value method of accounting for stock options is set out below:- **2008 (Rs./Lacs)**
	Profit/(Loss) after tax as per Profit and Loss Account ....(a) — 6,711.41
	Add : Employee Stock compensation Expense as per intrinsic value method
	Less: Employee Stock Compensation Expenses as per fair value method — 190.28
	Profit/(Loss) after tax recomputed for Recognition of employee stock Compensation expense under fair value method...................... (b) — 6,521.13
	Earning per share based on earnings:- As per (a) above – Basic — 8.62 – Diluted — 8.62
	Earning per share had fair value method been employed for accounting of employee stock options:- – Basic — 8.37 – Diluted — 8.37
Weighted average exercise prices of options granted (Rs.)	Rs. 348.05
Weighted average fair value of options granted (Rs.)	Rs. 143.39
Description of the method and significant assumptions used during the year to estimate the fair value of Options, including the following weighted average information :	Black-Scholes model

(i) risk-free interest rate	7.87%
(ii) expected life	8 Years
(iii) expected volatility	0.92%
(iv) expected dividends	0.71%
(v) stock price	Rs. 348.05
(vi) Fair value of options as at the grant date	Rs. 143.39

Notes:

1. **Stock Price:** Closing price on NSE as on the date of grant has been considered for valuing the grants.
2. **Volatility:** There is no adequate price history for the shares as the shares of the Company are listed on recognized stock exchanges from February 15, 2007. We have not adopted the volatility of a peer group Company as recommended by the guidelines as there are no such peer group companies. The volatility is calculated based on the data available from February 15, 2007 to March 31, 2008.
3. **Exercise Price:** Options have been granted at a price of Rs.348.05 being the closing price on the previous day i.e. February 28, 2008 of the date of grant.
4. **Time of Maturity:** The time to Maturity / Expected life of options is the period for which the Company expects the options to be live. The minimum life of stock option is the minimum period before which the options cannot be exercised (one year) and the maximum life is the period after which the options cannot be exercised (eight years).
5. **Expected Dividend yield:** The Company has paid dividend for the first time for the year ended March 2007 @ Rs.2.50 per share. Expected dividend yield has been calculated considering the same.

AUDITORS' CERTIFICATE ON REDINGTON (INDIA) LIMITED EMPLOYEE STOCK OPTION SCHEME - 2008 (THE "SCHEME")

To the Members of Redington (India) Limited

We have examined the compliance of the Scheme, with the relevant requirements of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, (the "Guidelines") issued by the Securities and Exchange Board of India, by Redington (India) Limited (the "Company") for the purpose of this certification as detailed below.

The Compliance of the Scheme with the requirements of the Guidelines is the responsibility of the Management. Our examination is limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the Scheme with the requirements of the Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that :

(i) The Company has introduced the Scheme as approved by the members of the Company at the Extraordinary General Meeting held on February 27, 2008;

(ii) The Scheme is in compliance with the requirements of the Guidelines.

For Deloitte Haskins & Sells
Chartered Accountants

Bhavani Balasubramanian
Partner
Membership No. 22156

Place : Chennai
Date : May 16, 2008

REPORT ON CORPORATE GOVERNANCE

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY AND CODE OF CORPORATE GOVERNANCE

Believing that good corporate governance practices should be enshrined in all the activities of the Company to maximize the stakeholder's value, your Company has adopted a Corporate Governance system in line with the requirements of Clause 49 of the Listing Agreement entered with the Stock Exchanges. The Board of Directors and Management of your Company focus on sound management decisions, prudent financial management, professionalism and transparency in all the transactions and high standards of ethics throughout the organization.

2. BOARD OF DIRECTORS :

The Board of Directors has an optimal combination of Whole-time, Non-executive and Independent Directors. The Board comprises of ten Directors and the Chairman of the Board is an Independent Director. The management of the Company is entrusted in the hands of Key Management Personnel of the Company and is headed by the Managing Director who operates under the supervision and control of the Board.

During the financial year, the Board of Directors of the Company met six times on the following dates: April 30, 2007, May 17, 2007, July 25, 2007, July 26, 2007, October 25, 2007, and January 24, 2008.

Table I : Composition of Board of Directors :

Name	Category	*Directorship in other Indian Public Companies	Committees of other Indian Public Companies.		No. of Board Meetings attended	Whether Attended last AGM
			Member-ship	Chairman-ship		
Prof. J. Ramachandran	Non-executive Chairman, Independent Director	5	2	3	5	Yes
Mr. R. Jayachandran	Non-executive Director	Nil	Nil	Nil	4	Yes
Mr. Huang Chi Cheng	Non-executive Director	Nil	Nil	Nil	4	Yes
Mr. Hu, Jia Lung@	Non-executive Director	Nil	Nil	Nil	N.A.	N.A.
Mr. R. Vijayaraghavan	Independent Director	10	5	3	6	Yes
Mr. Steven A Pinto	Independent Director	Nil	Nil	Nil	3	No
Mr. William Adamopoulos (Appointed w.e.f. 25.10.2007)	Independent Director	Nil	Nil	Nil	1	N.A.
Mr. R. Srinivasan	Managing Director	1	1	Nil	6	Yes
Mr. Raj Shankar	Dy. Managing Director	1	1	Nil	6	Yes
Mr. M. Raghunandan	Whole-time Director	2	Nil	Nil	6	Yes
Mr. A.S. Varadharajan (Vacated office w.e.f. 25.07.2007)	Alternate Director to Mr. Huang Chi Cheng	Nil	Nil	Nil	None	N.A.
Mr. Lin Ching Yao#	Alternate Director to Mr. Hu, Jia Lung	Nil	Nil	Nil	5	Yes

@ Mr. Lin Ching Yao has been appointed as the alternate Director to Mr. Hu, Jia Lung. Mr. Lin Ching Yao attends the Board Meetings.

Mr. Lin Ching Yao vacated the office as the alternate Director of the Company on November 21, 2007 as Mr. Hu, Jia Lung came to Chennai. At the Board meeting held on January 24, 2008 he was again appointed as the alternate Director to Mr. Hu, Jia Lung.

* Private Companies, foreign companies and companies under Section 25 of the Companies Act, 1956 are excluded in computing the Directorships. Only audit committee and shareholder's grievance committee are considered for the purpose of Committee positions as per listing agreement.

Some of the important items discussed at the Board meetings inter-alia include:

1. Annual Business Plan.
2. Adoption of quarterly/half yearly financial statements and Annual accounts.
3. Recommendation of dividend.
4. Appointment of Mr. Raj Shankar as the Deputy Managing Director of the Company.
5. Acquisition of Easyaccess Financial Services Limited (Non Banking Financial Company).
6. Appointment of Mr. William Adamopoulos as the Additional Director of the Company.
7. Investments.
8. Grant of options under the Employee Stock Option Plan 2008.
9. Formation of Compensation Committee.
10. Minutes of meetings of audit committee and other committees of the Board.
11. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks.

3. AUDIT COMMITTEE :

The Audit Committee comprises of Mr. R. Vijayaraghavan, Prof. J. Ramachandran, Non-executive Independent Directors and Mr. Raj Shankar, the Deputy Managing Director of the Company. Mr. R. Srinivasan is an Ex-officio member. Mr. R. Vijayaraghavan is the Chairman of the Committee and Mr. M. Muthukumarasamy, Company Secretary acts as the Secretary to the Audit Committee.

The Committee met five times during the financial year under review on April 30, 2007, May 17, 2007, July 25, 2007, October 25, 2007 and January 24, 2008.

Table II: Attendance record of Audit Committee Meetings

Name	Meetings attended
Mr. R. Vijayaraghavan	5
Prof. J. Ramachandran	4
Mr. Raj Shankar	5

The terms of reference of this committee are as follows:

i. reviewing the Company's financial reporting process and disclosure of financial information;

ii. reviewing the Company's financial and risk management policies, acquisition/ sale of fixed assets and investments;

iii. periodical interaction with external and internal auditors;

iv. reviewing the findings of external and internal auditors with reference to management response on matters of material nature;

v. reviewing the scope of the internal audit plan, procedures, adequacy of the internal audit functions and discussions with auditors in relation to the adequacy of internal control systems;

vi. reviewing operations on quarterly, half yearly and annual intervals, financial results and annual accounts;

vii. reviewing accounting policies and accounting standards applicable to the Company and ensuring compliance in accordance with the requirement of the Companies Act, 1956;

viii. suggesting the appointment of and remuneration payable to the external and internal auditors;

ix. ensuring compliance of applicable laws;

The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It reviews the accounting policies, reports of the Statutory and Internal Auditors and also the remuneration payable to the Statutory Auditors. It is also empowered to review the Financial Statements and investments of unlisted subsidiary companies, material individual transactions with related parties not in the normal course of business or which are not at arm's length basis.

The Chairman of the Audit Committee, Mr. R. Vijayaraghavan was present at the Annual General Meeting of the Company held on July 26, 2007.

The Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors are regularly invited to attend the Audit Committee meetings.

All the members of the Audit Committee possess strong accounting and financial management expertise.

4. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE:

The Shareholders'/Investors' Grievance Committee comprises of Prof. J. Ramachandran, Mr. R. Srinivasan and Mr. M. Raghunandan as its members. Prof. Ramachandran is the Chairman of the Committee.

During the meetings, the Committee was updated on the redressal of complaints from investors relating to non-receipt of dividends, non-receipt of IPO refunds, non-receipt of annual report etc. The committee also noted the changes in the shareholding pattern, shares held in electronic and physical mode etc.

During the year under review, the Committee met four times on the following dates: May 17, 2007, July 25, 2007, October 25, 2007 and January 24, 2008.

Table III: Attendance record of Shareholders'/ Investors' Grievance Committee Meetings

Name	Meetings attended
Prof. J. Ramachandran	4
Mr. R. Srinivasan	4
Mr. M. Raghunandan	4

Mr. M.Muthukumarasamy, Company Secretary is the Compliance Officer.

During the year, 333 complaints were received from the investors and the same were resolved satisfactorily and there were no complaints from the investors pending as at March 31, 2008.

5. REMUNERATION COMMITTEE :

The Remuneration Committee comprises of Mr. Steven A. Pinto, Mr. R. Srinivasan and Mr. M. Raghunandan as its members. Mr. Steven A. Pinto is the Chairman of the committee. The Remuneration Committee met thrice during the year on May 17, 2007, November 22, 2007 and February 29, 2008.

Table IV: Attendance record of Remuneration Committee

Name	Meetings attended
Mr. Steven A. Pinto	2
Mr. R. Srinivasan	2
Mr. M. Raghunandan	3

The Remuneration Committee determines the Company's remuneration policy, having regard to performance standards and existing industry practice. Under the existing policies of your Company, the Remuneration Committee, *inter alia*, determines the remuneration payable to the Directors.

Remuneration to Directors:

- The payments made to Whole-time Directors have been reviewed by the Remuneration Committee from time to time and confirmed by the Board of Directors.
- Independent Directors are paid sittings fees for attending the meetings of Board and Committee. The Chairman of the Board/Committee meeting is paid Rs.20,000/- per meeting and the members of the Board/Committee meetings are paid Rs.15,000/- per meeting attended by them.
- In addition, the Non-executive Directors are remunerated by way of commission upto a limit of one percent of the net profits of the Company subject to such limits as may be approved by the Board from time to time.
- Under the Employee Stock Option Plan 2008 the Compensation Committee upon the recommendation of Remuneration Committee granted stock options to the Directors of the Company the particulars of which are given in Table V.
- The options shall start vesting upon the expiry of one year from the date of the grant of options. Exercise of options is permitted up to a period of five years from the date of vesting.
- There are no particular pecuniary relationships or transactions of the Non-executive Directors' vis-à-vis the Company.
- All elements of remuneration package for all Directors have been provided in the statement hereinafter:

Table V: Details of remuneration paid/payable to all the Directors for the period from April 01, 2007 to March 31, 2008

Name of Director	Salary (Rs. in lacs)	Perquisites (Rs. in lacs)	Performance Linked Bonus (Rs. in lacs)	Sitting Fees (Rs. in lacs)	Options granted
Prof. J. Ramachandran	-	-	-	2.40	25,000
Mr. R. Jayachandran	-	-	-	-	-
Mr. Huang Chi Cheng	-	-	-	-	-
Mr. Hu, Jia Lung	-	-	-	-	-
Mr. R. Vijayaraghavan	-	-	-	1.90	25,000
Mr. Steven A Pinto	-	-	-	0.85	25,000
Mr. William Adamopulos	-	-	-	0.15	25,000
Mr. R. Srinivasan	-	-	-	-	-
Mr. Raj Shankar	-	-	-	-	-
Mr. M. Raghunandan	21.56	2.44	24.00	-	-
Total	**21.56**	**2.44**	**24.00**	**5.30**	**1,00,000**

- Provision for commission to Non-executive Directors of Rs.35.70 Lakhs has been made in the annual accounts.
- Mr. R. Srinivasan was appointed as the Managing Director of the Company for a period of five years with effect from July 01, 2006.
- Mr. Raj Shankar was appointed as the Deputy Managing Director of the Company for a period of five years with effect from July 26, 2007.
- Mr. M. Raghunandan was appointed as the Whole-time Director of the Company for a period of five years with effect from March 01, 2004.
- Mr. William Adamopoulos was appointed as Additional Director with effect from October 25, 2007.

Table VI: Shareholding of Directors in the Company as on March 31, 2008

Sl. No.	Name of the Director	No. of Shares	% to total equity capital
1.	Mr. Raj Shankar	2,87,018	0.37
2.	Mr. M. Raghunandan	70,010	0.09

6. COMPENSATION COMMITTEE

In order to administer and supervise the Employee Stock Option Plan, 2008 (ESOP, 2008), the Board at its meeting held on January 24, 2008 constituted the Compensation Committee. The Compensation Committee comprises of Mr. R. Vijayaraghavan, Prof. J. Ramachandran and Mr. R. Srinivasan. Mr. R. Vijayaraghavan is the Chairman of the Committee.

The Committee met on February 29, 2008 to grant options to the Directors and employees of the Company.

The terms of reference and powers of the Committee are:

1. Supervise and administer the Scheme including deciding the terms and conditions for granting the options, eligibility criteria for employees, the number of options that may be offered to the employees and also the price at which the options are to be granted.
2. Grant the options to the eligible employees in accordance with the terms and conditions of the scheme.
3. In case of granting of options to the Directors, the Remuneration Committee shall determine and finalise the number of options to be granted.
4. Take such steps and to do all such acts, deeds, matters and things as may be necessary to give effect to the Employee Stock Option Plan 2008.

7. CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT:

The Company has adopted a Code of Business Conduct and Ethics (the Code) for Directors and Senior Management Team with an objective to ensure strict adherence to the Company's best practices and consistently improve upon them. The Code has been posted on the Company's website www.redingtonindia.com.

The Code has been circulated to all the members of the Board and Senior Management Team and they have affirmed compliance of the same.

The declaration signed by the Managing Director is given below:-

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2007-08.

R. Srinivasan
Managing Director

8. GENERAL BODY MEETINGS:

Location and time of last 3 Annual General Meetings:

Year	Location	Date	Day	Time
2006-2007	Narada Gana Sabha, Main Hall, No. 314, T.T.K Road, Chennai-600 018	July 26, 2007	Thursday	10.00 A.M
2005-2006	SPL Guindy House, 95, Mount Road, Guindy, Chennai-600 032	July 01, 2006	Saturday	10.00 A.M.
2004-2005	SPL Guindy House, 95, Mount Road, Guindy, Chennai-600 032	September 22, 2005	Thursday	11.00 A.M.

No special resolutions were put through postal ballot last year. At present, there are no resolutions, which are required to be passed by postal ballot.

An Extra-ordinary General Meeting of the members of the Company was convened on February 27, 2008 -:

- To approve the issue of options to the employees/ Directors of the Company/subsidiaries/associate/ joint venture Companies.
- To approve the appointment of Mr. Raj Shankar as the Deputy Managing Director of the Company for period of five years with effect from July 26, 2007.

Special resolutions passed in the previous three Annual General Meetings:

Year	Special resolution passed
2006-2007	Approval of Payment of commission to the Non-executive Directors of the Company
	Approval to keep the Register of members, Indices, Returns and Copies of certificates at the office of Registrar and Share Transfer Agents of the Company, M/s Cameo Corporate Services Limited at 'Subramanian Building', No.1 Club House Road, Chennai-600 002.
	Approval for the application and utilization of funds earmarked for specific purposes as stated in prospectus dated January 31, 2007 to extent not required immediately, by way of investing in high quality interest/ dividend bearing liquid instruments and for managing the working capital requirements.
2005-2006	Approval for further issue of equity shares under ESPS Approval for further issue of equity shares through Initial Public Offer
	Amendment in Memorandum and Articles of Association of the Company.
2004-2005	NIL

Subsidiary Companies:

During the year, none of the subsidiaries were a material Non-listed Indian Subsidiary Company as per the criteria given in Clause 49 of the Listing Agreement. The Board of Directors were updated on the performance of the subsidiary companies while approving the consolidated financial statements of the Company from time to time.

9. DISCLOSURES :

RELATED PARTY TRANSACTIONS:

There are no material related party transactions during the year 2007-2008 that are prejudicial to the interest of the Company.

RISK MANAGEMENT

The Board views risk management as an integral part of running Company's business. The Board of Directors are updated regularly about the risk assessment and minimization procedures.

The Company has adequate internal control systems in place to understand the global business drivers that affect an organization's profitability and performance. The Company's internal control systems are regularly tested and reviewed by the internal auditors and the Audit Committee.

PROCEEDS FROM PUBLIC ISSUE

The proceeds of the Initial Public Offer (IPO) of the Company are being utilised for the purposes mentioned in the Prospectus dated January 31, 2007 filed with Registrar of Companies, SEBI and Stock Exchanges and there is no deviation in the application of these funds. However members of the Company at the Annual General Meeting held on July 26, 2007, accorded their approval for application and investment of the IPO funds pending utilization in high quality interest/dividend bearing liquid instruments and for managing the working capital requirements.

Accordingly, the funds pending utilization have been utilized for managing the working capital requirements of the Company. The Audit Committee/Board is updated at regular intervals on the utilization of the IPO proceeds.

NON-COMPLIANCE BY THE COMPANY, PENALTIES, STRICTURES:

The Company has complied wherever applicable with the requirements of the Stock Exchange/ SEBI/ any Statutory Authority on all matters related to capital markets wherever applicable during the last three years. There are no penalties or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authorities relating to the above.

10. SHAREHOLDERS

Re-appointment of Directors

Prof. J. Ramachandran, Mr. R. Jayachandran and Mr. R. Vijayaraghavan, Directors of the Company are liable to retire by rotation and being eligible have offered themselves for re-appointment.

The Board of Directors of the Company appointed Mr. William Adamopoulos as an Additional Director of the Company at their meeting held on October 25, 2007.

A notice has been received from the member of the Company proposing his appointment as a Director liable to retire by rotation.

The details of Directors seeking re-appointment at the forthcoming Annual General Meeting are set forth in Table VII.

Table VII: Details of the Directors

Name of the Director	**Prof. J. Ramachandran**
Brief resume of the Director	Prof. J. Ramachandran, Chairman of the Board, is a Chartered Accountant and also a member of Institute of Costs and Works Accountants of India. He is currently a professor of business strategies at the Indian Institute of Management, Bangalore. He carries rich experience in corporate management.
Expertise in Specific Functional Area	Strategic management
Directorship in Indian Public Limited Companies other than Redington (India) Limited	1) Reliance Communications Limited 2) Reliance Communications Infrastructure Limited 3) Sasken Communication Technologies Limited 4) Bhoruka Power Corporation Limited 5) Indofil Organic Industries Limited
Membership of Committees in Public Limited Companies	
Audit Committee	1. Reliance Communications Limited 2. Reliance Communications Infrastructure Limited 3. Sasken Communication Technologies Limited
Shareholders/Investor Grievance Committee	1. Reliance Communications Limited 2. Sasken Communication Technologies Limited
Name of the Director	**Mr. R. Jayachandran**
Brief resume of the Director	Mr. R. Jayachandran is a Chartered Accountant and is a member of the Institute of Certified Public Accountant of Singapore. He has undergone an advanced management program at the Harvard Business School. He is a Non Executive Chairman of OLAM International Limited, a listed Singapore entity.
Expertise in Specific Functional Area	Finance and Business Strategy
Directorship in Indian Public Limited Companies other than Redington (India) Limited	-
Membership of Committees in Indian Public Limited Companies	
Audit Committee	-
Shareholders/Investor Grievance Committee	-
Name of the Director	**Mr. R. Vijayaraghavan**
Brief resume of the Director	Mr. R. Vijayaraghavan is a Law Graduate and possesses rich management and financial experience. He is a leading advocate in Chennai and has been practicing law for over 20 years. He is a legal advisor to many leading business groups.
Expertise in Specific Functional Area	Legal, Taxation and Finance
Directorship in Public Limited Companies other than Redington (India) Limited	1. Amrutanjan Limited 2. Sanco Trans Limited 3. Shree Ambika Sugars Limited

	4. Thiru Arooran Sugars Limited 5. Terra Energy Limited 6. India Nippon Electricals Limited 7. Synergy Sakthi Renewable Energy Limited 8. Strategic Management & Marketing Consultancy Services Limited 9. Prime Technology Resources Management Limited 10. TVS Finance and Services Limited
Membership of Committees in Public Limited Companies	
Audit Committee	1. Sanco Trans Limited 2. India Nippon Electricals Limited 3. Amrutanjan Limited 4. Shree Ambika Sugars Limited 5. Thiru Arooran Sugars Limited 6. Terra Energy Limited 7. TVS Finance and Services Limited
Shareholders/Investor Grievance Committee	1. India Nippon Electricals Limited
Name of the Director	**Mr. William Adamopoulos**
Brief resume of the Director	Mr. William Adamopoulos is a graduate of Harvard College and is an expert in Global Finance and Economics. He is currently the President and Publisher of Forbes Asia and before this, he was the Publisher and Managing Director of The Asian Wall Street Journal. He carries a rich experience in the print and media industry. In June 2001, Adage Global named Mr. Adamopoulos one of the top 30 global dealmakers in the media world.
Expertise in Specific Functional Area	Global finance and Economics
Directorship in Public Limited Companies other than Redington (India) Limited	-
Membership of Committees in Public Limited Companies	
Audit Committee	-
Shareholders/Investor Grievance Committee	-

11. COMPLIANCE WITH THE NON-MANDATORY REQUIREMENTS

The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure ID to the Clause 49 of the Listing Agreement with the Stock Exchanges.

Remuneration Committee.

The Company has set up Remuneration Committee and Compensation Committee. Please see Para 5 and 6 for further details.

12. MEANS OF COMMUNICATION:

(a) The quarterly, half yearly and annual results are published in Business Standard and Makkal Kural which are national and local dailies.

(b) The quarterly, half yearly and annual results and shareholding pattern are also posted on the website of the Company (www.redingtonindia.com) and on Electronic Data Interpretation Filing and Retrieval System (EDIFAR) at www.sebiedifar.nic.in.

(c) The Company also intimates the stock exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the investors/shareholders.

(d) The Management's Discussion and Analysis on financial and operational performance of the Company is provided in the Annual Report.

The Company has designated 'investors@redington.co.in' as an email id for the purpose of registering complaints by investors and displayed the same on the Company's website.

13. GENERAL SHAREHOLDERS' INFORMATION :

a) Annual General Meeting.

Date : Saturday, July 26, 2008

Time : 11.00 A.M.

Venue : Mini Hall, Narada Gana Sabha,
No. 314 (Old No. 254), T.T.K. Road,
Chennai – 600 018.

b) Financial Calendar (Tentative Calendar for the financial year 2008 - 2009).

Adoption of Results for the quarter ending 30th June 2008	:	July 25, 2008
Adoption of Results for the quarter & half year ending 30th September 2008	:	October 25, 2008
Adoption of Results for the quarter & 9 months ending 31st December 2008	:	January 23, 2009
Adoption of Results for the year ending 31st March 2009	:	On or before May 31, 2009

c) Book Closure : From Monday, July 21, 2008 To Saturday, July 26, 2008

d) Dividend payment date : Before August 24, 2008

e) Listing on Stock Exchanges

The shares of the Company are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited, Mumbai.

Listing fees for the period April 2008 to March 2009 have been paid to National Stock Exchange of India Limited and Bombay Stock Exchange Limited, Mumbai.

f) Stock Code

Trading Symbol on National Stock Exchange of India Ltd	REDINGTON
Trading Symbol on Bombay Stock Exchange Ltd	532805
Demat ISIN in NSDL and CDSL for equity shares	INE891D01018

g) Registrar and Share Transfer Agents.

The Company has appointed M/s. Cameo Corporate Services Limited, as the Registrar and Share Transfer Agents for the shares of the Company held in both physical and electronic modes. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Registrar and Share Transfer Agents at the address given below:-

Cameo Corporate Services Limited
'Subramanian Building,'
No.1, Club House Road
Chennai 600 002.
Phone No: +91 44 2846 1989;
Fax No: +91 44 2846 0129.
Email : redington@cameoindia.com
Website : www.cameoindia.com

Shareholders would have to correspond with the respective Depository participants for shares held in demat mode.

h) Share Transfer System:

Trading in the equity shares of the Company is permitted only in dematerialized form. Shares sent for transfer in physical form are registered and returned within a period of 15 days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of transfers, a Share Transfer Committee comprising of Mr. R. Vijayaraghavan, Mr. R. Srinivasan and Mr. M. Raghunandan has been constituted. The Shareholders/Investors Grievance Committee meets at regular intervals to review the nature of the complaints and the steps taken for redressal of these complaints.

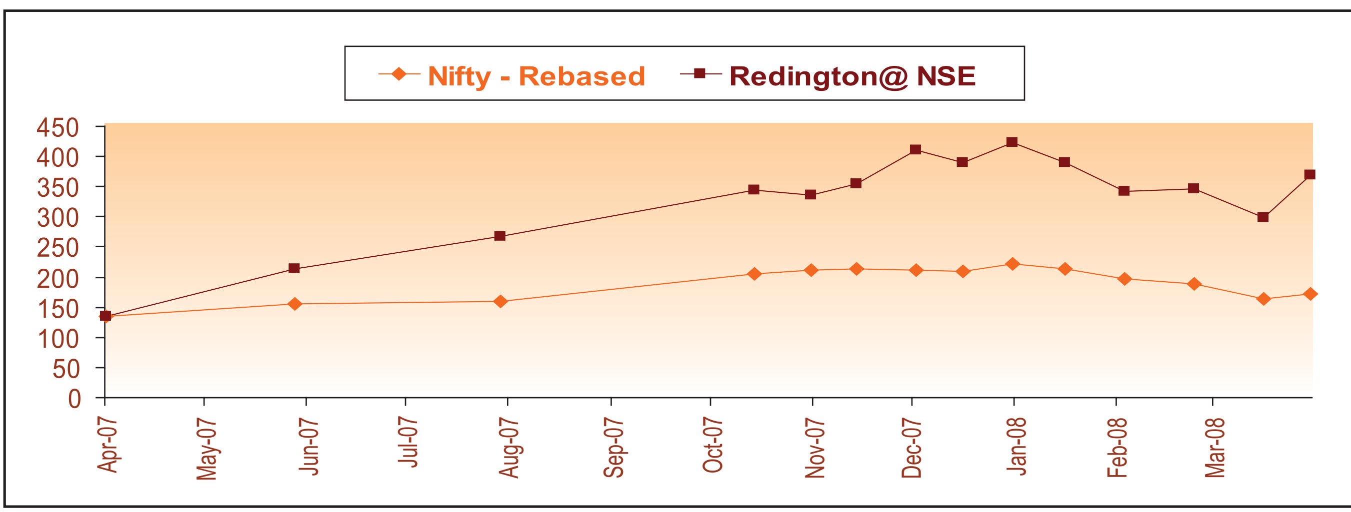
i) Secretarial Audit:

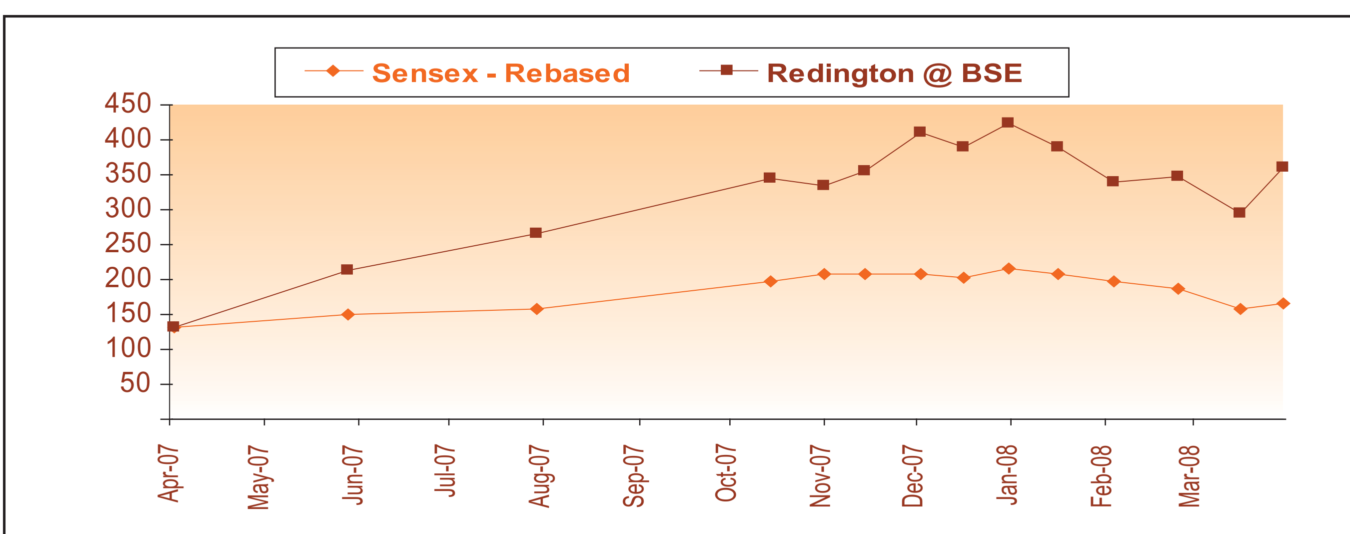
The Secretarial Audit for reconciling the total admitted capital with National Security Depository Limited (NSDL) and Central Depository Securities India Limited (CDSIL) and the total issued and listed capital for each of the quarter in the financial year ended March 31, 2008 was carried out. The audit report confirms that the total issued/paid up share capital is in agreement with the total number of shares in physical and dematerialized form.

j) Market price data (Rs.)

NSE				
Sr. No	Month	High	Low	Closing
1	Apr-07	147.25	131.65	146.65
2	May-07	245.35	145.55	245.35
3	Jun-07	238.20	213.00	238.20
4	Jul-07	292.85	240.90	267.45
5	Aug-07	291.20	242.35	266.85
6	Sep-07	337.65	274.95	337.65
7	Oct-07	373.80	320.85	345.40
8	Nov-07	425.95	305.15	411.45
9	Dec-07	431.70	390.05	431.70
10	Jan-08	445.65	326.75	326.75
11	Feb-08	398.90	331.60	354.35
12	Mar-08	369.35	288.80	369.35

BSE				
Sr. No	Month	High	Low	Closing
1	Apr-07	147.50	131.85	147.50
2	May-07	244.85	146.20	242.43
3	Jun-07	237.20	213.55	237.20
4	Jul-07	290.35	239.85	268.40
5	Aug-07	291.30	242.60	265.80
6	Sep-07	337.60	274.35	337.60
7	Oct-07	375.55	320.85	345.40
8	Nov-07	425.95	305.15	411.45
9	Dec-07	431.70	389.85	431.70
10	Jan-08	443.60	332.50	346.95
11	Feb-08	401.35	332.35	356.25
12	Mar-08	361.55	286.80	361.55





k) Distribution of Shareholding as on March 31, 2008.

Share Holding	No. of Shareholders	% of total Shareholders	No. of Shares	% of total
1-500	13026	94.40	919,090	1.18
501-1000	333	2.41	270,430	0.35
1001-2000	183	1.33	265,790	0.34
2001-3000	81	0.59	204,915	0.26
3001-4000	28	0.20	100,087	0.13
4001-5000	33	0.24	153,532	0.20
5001-10000	57	0.41	408,964	0.53
10001 & Above	55	0.42	75,542,938	97.01
Total	**13,796**	**100.00**	**77,865,746**	**100.00**

l) Statement showing Shareholding Pattern as on March 31, 2008.

Category	No. of holders	No. of shares	% of shareholding
Promoter Holding			
Foreign Bodies Corporate	1	33,901,595	43.54
Total of Promoter Holding	1	33,901,595	43.54
Non Promoter Holding			
Mutual Funds/UTI	3	5,08,641	0.65
Financial Institutions/ Banks	1	1,424	0.00
Foreign Institutional Investors	20	10,364,332	13.31
Non Institutions			
Bodies corporate	334	17,86,391	2.29
Indian Public	13110	20,06,456	2.59
NRI's/OCB's /Foreign Nationals	251	292,72,835	37.59
Others	76	24,072	0.03
Total of Non promoter Holding	13,795	439,64,151	56.46
Grand total	**13,796**	**778,65,746**	**100.00**

m) Dematerialisation of shares and liquidity

Dematerialisation of shares :

The shares of the Company are compulsorily traded in dematerialised form by all categories of investors. As on March 31, 2008, 70.56% shares of the Company are held in dematerialised form.

Liquidity of shares :

The shares of the Company are traded in the "B1"category as part of BSE's Midcap Index.

During the year the National Stock Exchange of India has included the equity shares of the Company in the Futures and Option Segment (F & O) of the exchange with effect from November 30, 2007.

n) There are no outstanding GDRs/ADRs/Warrants or any Convertible instruments.

o) Infrastructure

Since your Company is in the business of Supply Chain Solution Provider, there is no manufacturing plant for your Company. However the Company has the following distribution offices, warehouses and service centers both in India and overseas.

Particulars	India operations	Overseas Operations
Sales Offices	48	14
Warehouses	59	10
Service Centres	46	16

p) Address for Correspondence

The shareholders may address their communication/ suggestions/ grievances/ queries to the Registrar and Share Transfer Agents at their addresses mentioned above or to -

The Company Secretary
Redington (India) Limited
Wescare Towers, No16, Cenotaph Road,
Teynampet, Chennai - 600 018.
Tel. No. : 91 44 3918 1300
Fax : 91 44 3918 1333
Email : investors@redington.co.in

q) Company Website.

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

CERTIFICATE UNDER SUB CLAUSE V OF CLAUSE 49 OF LISTING AGREEMENT

We, R. Srinivasan, Managing Director and S.V. Krishnan, Chief Financial Officer of the Company hereby confirm and certify that

a. we have reviewed financial results for the year ended March 31, 2008 and that to the best of our knowledge and belief :

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the period which are fraudulent, illegal or violative of the company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit committee

   i. that no significant changes in internal control over financial reporting during the period;

   ii. that changes in accounting policies during the period have been disclosed in the notes to the financial statements; and

   iii. that no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Chennai	**R. Srinivasan**	**S.V. Krishnan**
Date : May 16, 2008	Managing Director	Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Redington (India) Limited

We have examined the compliance of conditions of corporate governance of Redington (India) Limited for the year ended March 31, 2008, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending against the company as at March 31, 2008 as per the records maintained by the Shareholders / Investors Grievance committee.

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

For Deloitte Haskins & Sells
Chartered Accountants

Bhavani Balasubramanian
Partner
Membership No. 22156

Place : Chennai
Date : May 16, 2008

OUTLOOK

In line with the buoyancy in the economic conditions in the markets in which it has operations, your Company has shown a consistent growth in its existing line of IT and Non-IT business verticals. Though it is widely perceived that US would show a recessionary trend in the coming year, its impact is not expected to be pronounced in countries like India (due to its strong domestic consumption) and the countries in Middle East and Africa region (due to strong crude prices), the two biggest markets for your company. In many of these markets where your company has operations, the PC penetration levels are lower compared to the World average signifying huge potential for growth in the coming years. The future looks encouraging for your company considering the expected growth in these business segments and markets. In addition, since your company is transforming its business model from a pure IT distributor to a supply chain solution provider, with IT being one of its product lines, growth is possible through addition of newer verticals.

INDUSTRY STRUCTURE & NATURE OF BUSINESS

Structure

Your company is a vendor authorized end-to-end supply chain solution provider in the IT and Non-IT products space in difficult but potential markets like South Asia including India, Middle East and Africa and Singapore.

Your Company buys products from the Vendors and Original Equipment Manufacturers (OEM) for stock and sale through the channel by providing warehousing and logistics services, sell the products, extend credit to the Channel Partners and collect the proceeds from the customers. Your company together with its subsidiaries has more than 50 vendors for distributing their products to various designated markets. In the process, as an extended value add to its vendors and channel partners, your company is also into financing the Channel in the IT industry through a separate NBFC subsidiary and supporting the products through its wide network of service centres.

The IT distribution industry is witnessing growth fuelled by investment in the IT and ITES sector, increasing need for automation and information technology in all industries, increase in communication and computing infrastructure spending, and increased internet usage. As per IDC, the PC penetration in India is only around 2.8% of the total population and the PC market in India recorded a Year-on-Year growth of 20% in 2007. Due to portability and affordability, the notebooks market is showing a sustained strong growth trend. Currently, notebooks account for more than 20 % of the total PC market in the country, up from less than 3 % four years ago (Source: IMRB & MAIT).

Your company's presence in non-IT vertical is predominantly in products like digital printing machines, digital lifestyle products, telecom products, gaming devices and consumer electronics. Though the products and customer base is different from the IT vertical, the business model is similar to that of IT vertical. Large Format Retailers (LFR) constitutes a significant and fast-growing channel for the Lifestyle Products.

SEGMENT WISE PERFORMANCE

i) IT Products

The Company offers a comprehensive range of IT products like peripherals, printers, scanners, plotters, supplies (cartridges), PC components (monitors, hard disks, CD writers, CD ROMs, processors, motherboards), PCs, UPS, networking, packaged software, storage, high-end servers etc.

The Company has relationships with more than 50 vendors and with some of them for more than 10 years. The Company still continues to enjoy excellent business relationship with its suppliers like Acer, APC, Apple, Canon, Cisco, Computer Associates, EMC, Epson, Gigabyte, HCL Infosystems, Hewlett Packard, Hitachi, IBM, Intel, Kodak, Lenovo, Linksys, Microsoft, Nokia, Samsung, Seagate, Systimax, TVS Electronics, Viewsonic, Western Digital, Whirlpool, Wipro, 3COM etc.

ii) Non-IT Products

Your company's initiative few years ago to focus on Non-IT products as a separate division is paying off in the form of increased contribution to total sales. Currently in this segment, your company has tie-up with Nokia for its mobile handsets for Nigeria and Kenya markets, and Microsoft X-Box, Apple iPods and Apple Mac, HP digital printing press, LG and Whirlpool consumer electronics and various other gaming content providers for Indian market.

Indian Business Scenario

Digital printing segment is becoming one of the key stimulant to this division's growth. The HP Indigo digital press, with its on demand print and variable data printing abilities has had the #1 market share in digital production colour presses world wide *(Source: Info Trends, WW On Demand Quarterly Tracking data, Q1-Q3 2007 for production color printers with duty cycles >1M impressions per month).* The world wide installed base of the Indigo machines during 2007 surpassed 4,000 presses. With new & improvised machine models introduced during 2007, the total page volume has grown by around 45% over 2006, across the globe.

The Indian digital printing market has been no exception to the above. While the installed base of the HP Indigo machines in India has grown by around 52% in the last year from 19 machines in 2006 -07 to 29 machines in 2007-08, the average page volume has grown by around 80% in 2007-08. Such increase in the page volumes would continue to remain a key stimulant for this division's growth in future. With its strong and experienced service capabilities, the company is also well equipped to handle the after sales support for the installed base of Indigo machines across the country.

The gaming device market is yet to gain popularity among the Indian consumers. The rising income levels, changing preferences of the youth and the increasing awareness among the target group provides opportunities for higher penetration and a good expansion base for the market in the ensuing years. Your company's presence in this segment at an early phase and its tie-up with a strong brand like Microsoft is expected to benefit over a long run. To penetrate this market further, your company has tied-up with few renowned gaming content manufacturers like Microsoft, Electronic Arts, etc.

Consumer electronics space includes products such as Televisions, DVD's, washing machines, refrigerators, air conditioners, etc. Your Company is testing distributing these products in select locations especially in smaller cities and towns. If the consumer electronics companies move to national distribution model, there is huge potential for growth for your company in this space in the ensuing years.

Overseas Business Scenario

Your company sees continuous robust growth in the coming years in the mobile handset distribution market. The market provides ample space for further penetration. Though a late entrant in this space, your company occupies a dominant position in the handset distribution in the markets where it operate, to the extent that Nokia has already become the No. 2 vendor for the company at the consolidated level, in its 2nd full year of operation. Your company intends tying-up with more vendors and product categories in the Non-IT space in the coming years to accelerate its growth.

iii) Supply Chain Services Market

Supply Chain Services has made rapid in-roads in every business in present day scenario. The manufacturing industry to stay competitive is trying to keep its cost of operations as low as possible. For each manufacturer to build their own logistics infrastructure to reach their products to their customers at the correct time, requires heavy investment in the supply chain. On the other hand, a third party supply chain solution provider, like your company, which has its infrastructure being created, would be in a position to reach their products to their customers at a cheaper cost, due to economies of scale. Therefore, the expected growth in the manufacturing and other sectors calls for greater Logistics handling capabilities. Your Company in order to tap the market potential in this sector has started the third party logistics facility that is expected to further add to the growth of the company in the ensuing years. The available expertise in the logistics capabilities will provide fillip to the above growth.

iv) Service Division

Capitalising on the need for strong after sales support in the IT and Non-IT space, your company provides end-to-end services including warranty and post-warranty service thereby giving significant value-add to vendors and customers. For some of the company's vendors, in the process of providing customer support, the company provides other value added services such as technical response centre, parts logistics, reverse logistics for defective products, high-level repair services for mobile handsets and motherboards.

The Company today successfully partners some of the best names in the IT and telecom sectors like APC, HP, Huawei, IBM, Kinpo, Liteon, Microsoft, Motorola, Nortel, Samsung, etc.

Your Company has a 700 plus strong customer centric team handling about 20,000 repairs per month for several major telecom brands from about 50 locations across India. At present, the Company has 270 service centres across the globe, out of which 206 service centres are spread across India (out of which, 160 centres are partner-owned service centres).

STRENGTHS, RISKS AND CONCERNS

A. Strengths

Your company's presence in high growth markets is its biggest strength. To supplement this, in the two biggest markets where your company has operations, it has a dominant market share. For eg., in India, your company is one of the two main-line player in the IT space and in MEA your company's subsidiary is a No. 1 player with a huge lead over the second player. Your Company has a diversified product range, which facilitates economies of scale and provides a one-stop shop solution to its customer. The Company's presence in various markets / geographies provides the opportunity to cater to the needs of different markets according to their preferences. The Company's wide reach through many branches and warehouses in smaller cities and towns to cater to the needs of customers located in those cities and towns, is a big competitive edge. Besides, continued and strong relationship with the vendors over the years has resulted in growth both horizontally and vertically.

The Company's strong IT infrastructure facilities continue to support its voluminous transactions of invoicing and management reports on real time basis.

In order to ensure consistent growth, your company consciously moved into Non-IT space and other exclusive offerings to its customers, like financial services, after sales support service and third party logistics services. This would help your company to overcome the dependence on the IT distribution business. Even within the IT space, your Company consistently expanded its product and vendor portfolio and geographies to de-risk the business model. During the year 2007-08, your company has added new vendors such as Apple, Sonicwall, Elitecore, KYE, Belkins, Moser Baer, Sun Micro, Logitech, Adobe, Toshiba and Authenex. Supported by these key strengths, your company is well poised to capture the strong growth in the industry.

B. Risks and Concerns and Risk Mitigation

The Company has adequate risk management system, which is geared up for addressing all the major and intricate business risks such as inventory risk, credit risk, foreign exchange risk, interest rate risk, etc. The risks involved at various levels are identified, monitored and managed on a constant basis both through our ERP system and outside. The Company has the required insurance coverage to protect all important insurable risks. Since the transaction volume is very high compared to any normal organization, for regular operations the process built into the ERP system is clearly defined to enhance internal control system cutting across various functions. There are multi-function teams to handle one-of-the-kind transactions and the teams are aware of the company's thrust on internal control.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

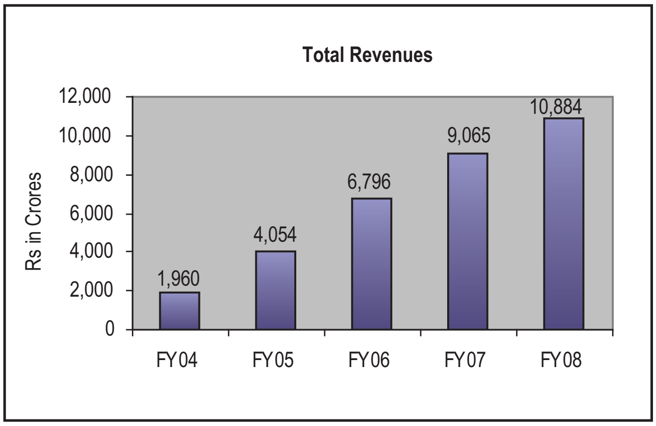
During the year under review, many initiatives have been implemented to have a strong focus on employee relationships. Consistent strong growth in the company's operations across various geographies has paved way for a number of people of various nationalities in the Company.

FINANCIAL PERFORMANCE & POSITION

The financials of the Company and its subsidiaries in India are prepared in accordance with the Generally Accepted Accounting Principles in India. The Middle East, Singapore subsidiary Financials are prepared according to the International Financials Reporting Standards and Singapore Financial Reporting Standards respectively.

Analysis of Consolidated Financials

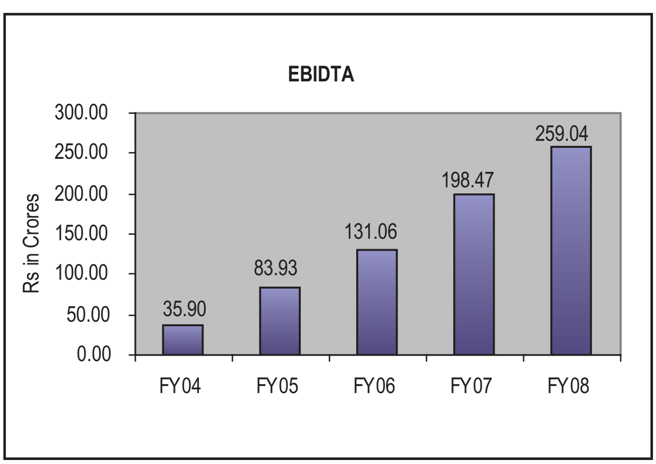
Revenues - Revenues increased by 20% to Rs.10,884 Crores in the fiscal year 2008 from Rs.9,067 Crores mainly due to increased volumes in IT space and substantial growth in Non-IT space and Service business. Revenues from overseas subsidiaries contributed to 47% of the total revenues, in spite of depreciation of US Dollar vs. Indian Rupees by about 11% during the year compared to the previous financial year. Since overseas subsidiaries financials are denominated either in US Dollar or in currencies which are pegged to US Dollar, depreciation of US Dollar would impact the consolidated financials adversely and any appreciation in the US Dollar would impact the financials favourably.



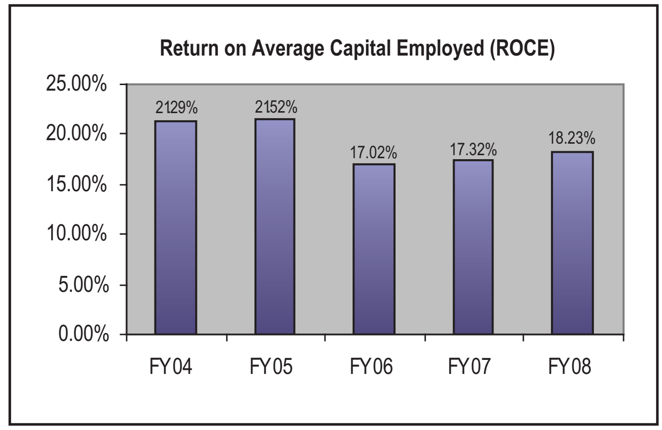
Employee Compensation Costs – Increased to Rs.118.65 Crores in fiscal year 2008 as against Rs.80.36 Crores during the fiscal year 2007 primarily due to increase in headcount and recruitment of vendor certified professionals for selling the products in value product space.

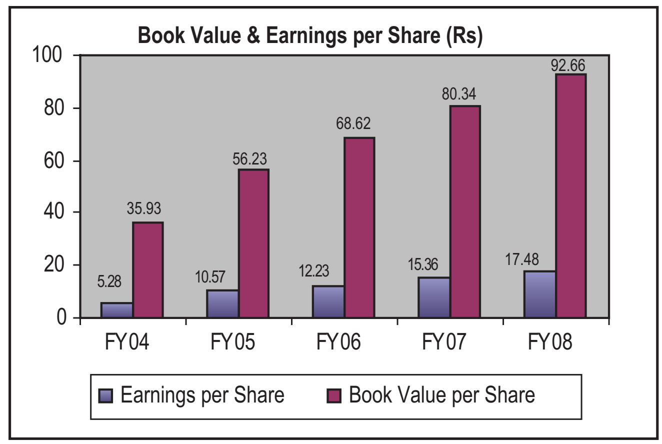
Other Expenses - Increased to Rs.131.43 Crores during fiscal year 2008 from Rs.101.13 Crores in 2007 mainly due to increase in Rent, Communication, Travel expenses.

EBIDTA - Increased by around 31% to Rs.259.04 Crores during fiscal year 2008 as against Rs.198.47 Crores during fiscal year 2007. EBIDTA as a percentage of total revenue increased to 2.38 % during the fiscal year 2008 as against 2.19 % during the previous fiscal year. The primary reason for this increase in the EBIDTA percentage to total revenue is increased contribution from Value products to the total revenue. Value products in general carry a higher margin.

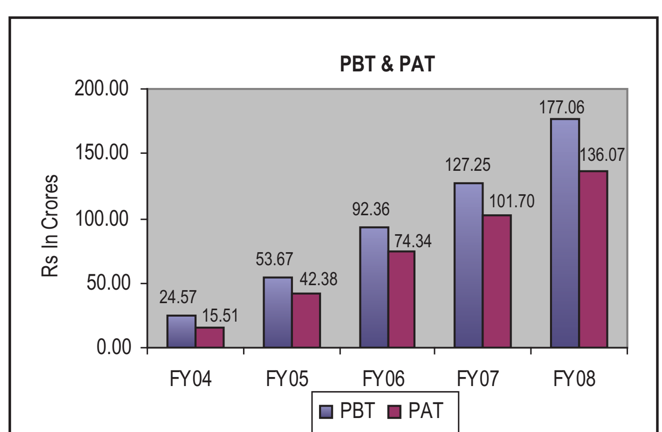


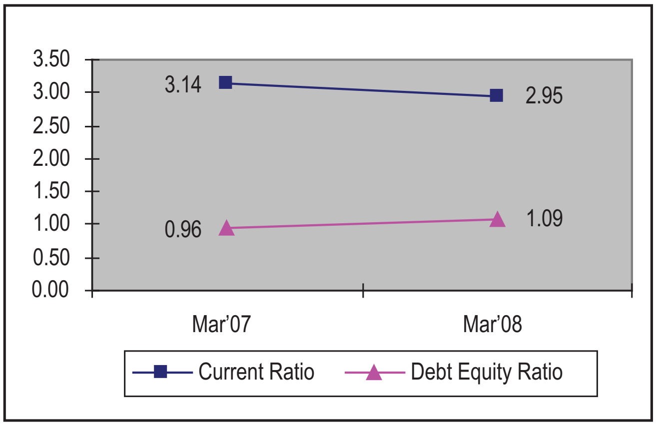
Interest – Interest cost has increased to Rs.72 Crores as against Rs.58 Crores during the previous fiscal year. Interest as a percentage of sales has nominally increased from 0.64% in the previous fiscal year to 0.66 % in the current fiscal year in line with the overall growth of the company and the increased working capital usage.





PBT and PAT - Profit Before Tax increased to Rs.177.06 Crores during the year as against Rs.127.25 Crores during the fiscal year 2007. Profit After Tax increased to Rs.136.07 Crores during the year as against Rs.101.70 Crores during the fiscal year 2007. The growth of 39.14% and 33.80% in the PBT and PAT respectively has been mainly on account of increased contribution from value products to the total turnover, product diversification and operational efficiencies. The PBT and PAT as a percentage of sales, have grown to 1.63% and 1.25% respectively, as against 1.40% and 1.12% in the previous fiscal year.





Borrowings – Increased by 30.38% to Rs.784 Crores as of 31st March 08 as against Rs.601 Crores as of 31st March 07.

Fixed Assets – Increased to Rs.71.26 Crores during the fiscal year 2008 as against Rs.44.67 Crores during the previous fiscal year, the main additions being purchase of land for construction of ADCs at Kolkata & Delhi to the tune of Rs. 16.70 Crores and investment in LCD panel repair centre by the company's subsidiary M/s Cadensworth (India) Ltd. during the fiscal year 2008.

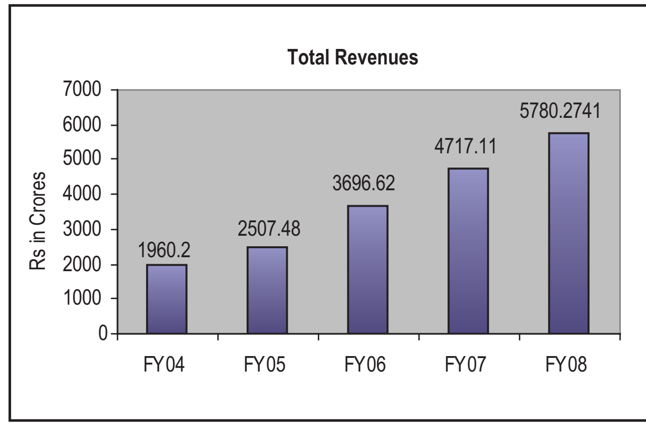
Summarized Cash Flow Statement:

(Rs in Crores)

Particulars	**2007-08**	**2006-07**
Cash and Cash Equivalents at the beginning of the year	**199.44**	96.64
Add: Cash generated from / (used in) :		
Operating activities	**(58.70)**	(82.83)
Investing activities	**(27.46)**	(26.09)
Financing activities	**88.79**	219.71
Currency Translation	**(22.27)**	(7.99)
Opening Cash Balance of subsidiaries acquired during the year	**2.15**	
Cash and Cash Equivalents at the end of the year	**181.95**	199.44

Analysis of Standalone Financials

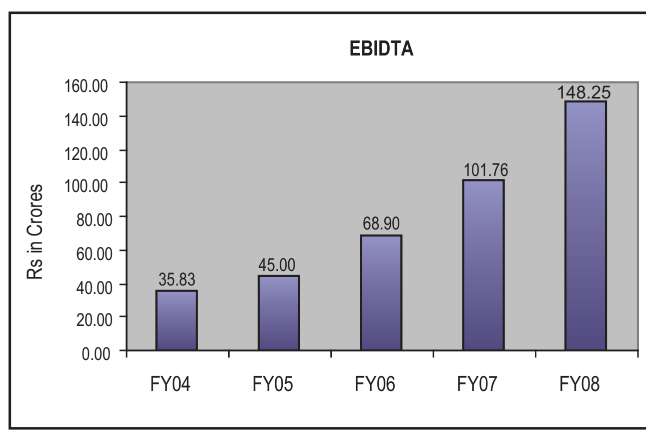
Revenues - Increased by around 23% to Rs.5,780.27 Crores in the fiscal year 2008 from Rs. 4,717.53 Crores in the previous year, mainly due to increased volumes in both IT and Non-IT verticals. Service business grew at 48% as compared to the previous fiscal year.



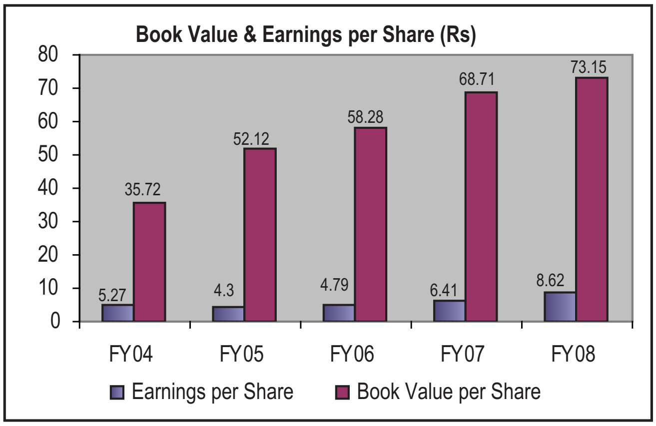
Employee Compensation Costs –Increased to Rs.61.55 Crores in fiscal year 2008 as against Rs.40.46 Crores during the fiscal year 2007 primarily due to increase in the headcount and addition of vendor certified professionals in the Value products space.

Other Expenses - Increased to Rs.60.62 Crores during fiscal year 2008 as against Rs.47.94 Crores during the fiscal year 2007. The increase is mainly due to increase in Rent, Communication and Travel expenses.

EBIDTA - Increased by around 46% to Rs.148.26 Crores during fiscal year 2008 as against Rs.101.76 Crores during fiscal year 2007. EBIDTA as a percentage of revenue increased to 2.56 % during the fiscal year 2008 as against 2.16 % during the previous fiscal year due to increased contribution from value products to the total revenue and higher margin from Services business.

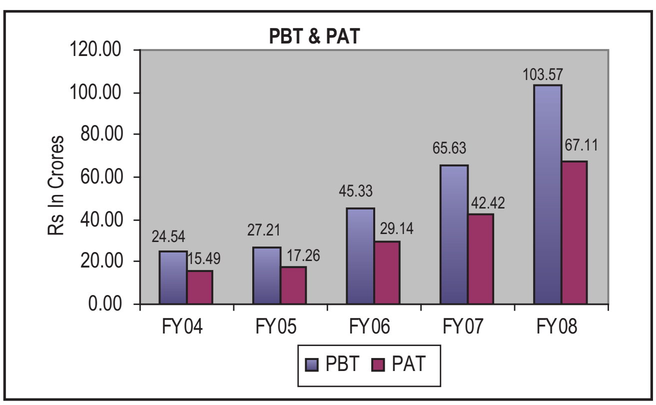


Interest – Interest cost has increased to Rs.40.66 Crores as against Rs.32.64 Crores during the previous fiscal year. However the interest cost as a percentage of total revenues has been almost constant at around 0.70%, signifying effective utilization of working capital and maintaining the weighted average cost of borrowing despite increasing interest rate regime.

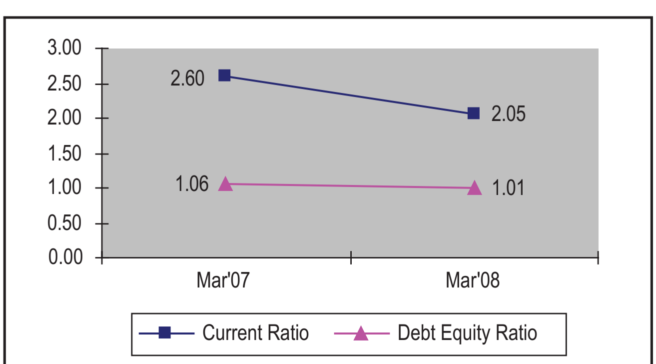


PBT and PAT - Profit Before Tax increased to Rs.103.57 Crores during the year as against Rs.65.63 Crores during the fiscal year 2007. Profit After Tax increased to Rs.67.11 Crores during the year as against Rs.42.42 Crores during the fiscal year 2007. The growth of 57.81% and 58.20% in the PBT and PAT respectively has been mainly on account of increased sale from higher margin value products, increased contribution from services business and through better operational efficiencies.

The PBT and PAT as a percentage of sales have grown to 1.79% and 1.16% respectively, as against 1.39% and 0.90% in the previous fiscal year.



Borrowings – Reduced by 20.44% to Rs.252.26 Crores as of 31st March 08 as against Rs.317.06 Crores as of 31st March 2007.



Fixed Assets – Gross Block increased to Rs.53.13 Crores during the fiscal year 2008 as against Rs.30.58 Crores during the previous fiscal year, mainly contributed by purchase of land at Delhi and Kolkata for the purpose of construction of ADCs in these cities and setting up of HLRCs at Chennai, Mumbai and New Delhi.

Summarized Cash Flow Statement:

Rs. in Crores

Particulars	2007-08	2006-07
Cash and Cash Equivalents at the beginning of the year	93.82	33.07
Add: Cash generated from / (used in) :		
Operating activities	213.53	(122.23)
Investing activities	(102.26)	(56.90)
Financing activities	(127.50)	239.88
Cash and Cash Equivalents at the end of the year	77.59	93.82

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems in place commensurate with its size and nature of operations to provide assurance to the management and other stake holders as to its preparedness in facing any untoward challenges affecting the company's profitability and performance.

The adequacy of internal controls is reviewed by the Internal Auditors periodically. The Internal Audit process is designed inter alia, to cover all significant areas of the company's operations such as accounting, finance, procurement, inventory, insurance, treasury, safeguarding the assets, IT processes and protection against unauthorized use, etc. The Audit Committee of the Company at its meetings periodically reviews the internal audit report along with the management responses and also various internal control processes that are in place.

Cautionary Statement

Certain statements made in the Management Discussion and Analysis relating to the Company's objectives, projections, outlook, expectations, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may however differ materially from such expectations, projections, etc.

ABRIDGED STANDALONE FINANCIAL STATEMENTS

AUDITORS' REPORT ON THE ABRIDGED FINANCIAL STATEMENTS OF REDINGTON (INDIA) LIMITED

To the Members of Redington (India) Limited,

We have examined the abridged balance sheet of Redington (India) Limited (the "Company") as at March 31, 2008 , the abridged profit and loss account and the cash flow statement for the year ended on that date, together with the notes thereon. These abridged Financial Statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the audited Financial Statements of the Company for the year ended March 31, 2008 prepared in accordance with Schedule VI to the Companies Act, 1956 and covered by our report of even date to the members of the Company which report is attached. The reallocations required for this purpose and the important ratios are as made / prepared by the Company.

For Deloitte Haskins & Sells
Chartered Accountants

Bhavani Balasubramanian
Partner
Membership No. 22156

Place : Chennai
Date : May 16, 2008

AUDITORS' REPORT TO THE MEMBERS OF REDINGTON (INDIA) LIMITED

We have audited the attached balance sheet of Redington (India) Limited, (the "Company") as at March 31, 2008, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

(iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the balance sheet, profit and loss account, and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

(v) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 on the said date;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2008;

   (b) in the case of the profit and loss account, of the profit for the year ended on that date; and

   (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants

Bhavani Balasubramanian
Partner
Membership No. 22156

Place : Chennai
Date : May 16, 2008

Annexure referred to the report of even date:

1. In respect of its fixed assets

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

    (b) Some of the fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

    (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

2. In respect of its inventories:

    (a) As explained to us, physical verification of inventory has been conducted during the year by an external firm of Chartered Accountants. In our opinion, the frequency of verification is reasonable.

    (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and nature of its business.

    (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

    (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and sale of goods and services and we have not observed any continuing failure to correct major weaknesses in such internal controls.

5. Based on the audit procedures applied by us, and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.

6. The Company has not accepted any deposits from the public during the year.

7. In our opinion, the internal audit carried out during the year by a firm of Chartered Accountants appointed by the management has been commensurate with the size of the Company and the nature of its business.

8. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for the services rendered by the Company.

9. In respect of Statutory dues:

    (a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, cess and any other material statutory dues with the appropriate authorities during the year.

    (b) There were no undisputed amounts in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, cess and any other material statutory dues as at March 31, 2008 for a period of more than six months from the date they became payable.

    (c) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty and cess which have not been deposited as on March 31, 2008 with the appropriate authorities on account of disputes, except for the dues referred to in Note No. 3 (i) (5) of Schedule 16.

10. The Company has no accumulated losses as at March 31, 2008 and has not incurred any cash losses either during the financial year covered by our audit or the immediately preceding financial year.

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

12. Based on our examination of documents and records and according to the information and explanations given to us, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.

13. The Company is not a chit fund or nidhi/mutual benefit fund/ society.

14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities and debentures and other investments.

15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions, are not *prima facie* prejudicial to the interests of the Company.

16. The Company has not raised any term loans during the year.

17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, *prima facie*, not been used during the year for long term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. According to the information and explanations given to us and the records examined by us, the Company has during the year issued only unsecured debentures and as such no security / charge needs to be created.

20. We have verified the end use of money raised by public issues amounting to Rs. 11807.36 Lakhs as disclosed in the Note No. 3 (a) of schedule 16.

21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants

Bhavani Balasubramanian
Partner
Membership No. 22156

Place : Chennai
Date : May 16, 2008

ABRIDGED BALANCE SHEET AS AT MARCH 31, 2008

(Rs in Lakhs)

	As At 31.03.2008	As At 31.03.2007
SOURCES OF FUNDS		
(1) Shareholders' Fund		
a. Capital		
I. Equity	**7,786.57**	7,786.57
b. Reserves and Surplus		
I. Securities Premium Account	**32,791.44**	32,791.44
II. General Reserve	**1,095.32**	424.18
III. Hedge Accounting Reserve	**(69.67)**	–
IV. Surplus in Profit and Loss Account	**15,351.86**	12,500.05
Total	**56,955.52**	53,502.24
(2) Loan Funds		
a. Secured Loans	**11,758.10**	12,432.15
b. Unsecured Loans	**13,468.25**	19,274.19
Total	**25,226.35**	31,706.34
(3) Finance Lease Obligation	**–**	4.15
(4) Deferred Tax Liability (Net)	**28.61**	102.07
Total (1 + 2 + 3 + 4)	**82,210.48**	**85,314.80**
APPLICATION OF FUNDS		
(1) Fixed Assets		
(a) Net block (Gross Block less Accumulated Depreciation)	**4,987.29**	2,971.11
(b) Capital advances	**325.68**	87.03
(2) Investments in Subsidiaries - Unquoted	**32,082.47**	23,807.73
(3) a. Current assets, loans and advances		
i. Inventories	**30,182.39**	29,417.99
ii. Sundry Debtors	**42,871.59**	52,889.68
iii. Cash and bank balances	**7,759.23**	9,381.86
iv. Loans and advances		
– To Subsidiary	**14.90**	17.52
– To Others	**6,402.79**	3,382.01
Total	**87,230.90**	**95,089.06**
Less:		
b. Current liabilities and provisions		
i. Liabilities	**38,721.78**	34,188.95
ii. Provisions	**3,694.08**	2,451.18
Total	**42,415.86**	**36,640.13**
Net current assets (a - b)	**44,815.04**	**58,448.93**
Total (1 + 2 + 3)	**82,210.48**	**85,314.80**

This is the Abridged Balance Sheet referred to in our report of even date

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Whole Time Director

Bhavani Balasubramanian
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 16, 2008

ABRIDGED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(Rs in Lakhs)

		Year Ended March 31, 2008	Year Ended March 31, 2007
I.	**Income**		
	Sales & Service Income	**577,100.71**	471,256.41
	Interest	**841.43**	354.44
	Other Income	**85.27**	100.08
	Total	**578,027.41**	**471,710.93**
II.	**Expenditure**		
	Cost of good sold (i + ii – iii)		
	(i) Opening Stock	**29,417.99**	17,764.35
	(ii) Purchases	**549,634.42**	462,854.80
	(iii) Closing Stock	**30,182.39**	29,417.99
	Total	**548,870.02**	**451,201.16**
	Trading expenses	**2,114.82**	1,493.80
	Employee Compensation Costs	**6,106.82**	4,007.03
	Managerial Remuneration	**89.00**	52.75
	Interest	**4,066.35**	3,263.86
	Depreciation	**402.08**	348.85
	Auditor's remuneration	**30.20**	21.71
	Bad Debts Written Off and Provision for doubtful debts	**366.56**	300.72
	Other expenses	**5,624.47**	4,458.12
	Total	**567,670.32**	**465,148.00**
III.	**Profit before tax**	**10,357.09**	**6,562.93**
IV.	**Provision for taxation**	**3,645.68**	**2,321.11**
V.	**Profit after tax**	**6,711.41**	**4,241.82**
VI.	**Proposed Dividend on Equity Shares including Corporate Dividend Tax**	**3,188.46**	**2,277.47**
VII.	**Transfer to reserves/surplus**	**3,522.95**	**1,964.35**
EARNING PER SHARE			
	EPS – Basic (Face Value – Rs. 10 Per Share)	**8.62**	6.41
	EPS – Diluted (Face Value – Rs. 10 Per Share)	**8.62**	6.41
	Weighted Average Number of shares for calculating earnings per share		
	Basic	**77,865,746**	66,205,147
	Diluted	**77,871,974**	66,205,147

This is the Abridged Profit and loss account referred to in our report of even date

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Whole Time Director

Bhavani Balasubramanian
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 16, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2008		Year Ended March 31, 2007	
Cash flow from operating activities:				
Net Profit before taxation	**10,357.09**		6,562.93	
Adjustments for:				
- Depreciation	**402.08**		348.85	
- Interest Expense	**4,066.35**		3,263.86	
- Interest income	**(841.43)**		(354.44)	
- Provision for Doubtful Debts	**366.56**		299.42	
- Unrealised Foreign Exchange Variation (net)	**(142.70)**		(46.37)	
- Profit on Redemption of Investment in Mutual Funds	**-**		(1.29)	
- Loss/(Profit) on sale of fixed assets	**12.51**		(41.59)	
Operating Profit before working capital change	**14,220.46**		10,031.37	
Decrease/(Increase) in Sundry Debtors	**9,651.53**		(18,758.07)	
(Increase)/Decrease in Loans and advances	**(3,002.72)**		131.71	
Increase in Inventories	**(764.40)**		(11,623.25)	
Increase in Current liabilities and Provisions	**3,610.05**		9,951.55	
Cash generated from/ (used in) operations	**23,714.92**		(10,266.69)	
Income tax/Fringe Benefit tax paid	**(2,361.30)**		(1,956.73)	
Net Cash generated from/(used in) operating activities		**21,353.62**		(12,223.42)
Cash flow from investing activities:				
Purchase of Fixed Assets	**(2,692.55)**		(1,377.39)	
Proceeds from Sale of Fixed Assets	**23.13**		126.56	
Interest Received	**725.29**		271.11	
Purchase of Investments	**-**		(1,000.00)	
Proceeds from Redemption of Investments	**-**		1,001.29	
Loan Granted to ESPS Trust	**(25.50)**		-	
Loan Settled by ESPS Trust	**18.00**		-	
Loan Granted to Subsidiaries	**(204.51)**		(6,437.72)	
Loan Settled by Subsidiaries	**204.51**		6,437.72	
Investments in subsidiaries	**(8,274.74)**		(4,711.20)	
Net Cash used in investing activities		**(10,226.37)**		(5,689.63)
Cash flow from financing activities:				
Proceeds from short term borrowings (net)	**(6,479.99)**		11,772.88	
Proceeds from short term borrowings - Subsidiary	**-**		380.00	
Repayment of short term borrowings - Subsidiary	**-**		(380.00)	
Proceeds from short term borrowings - ESPS Trust	**-**		5,130.54	
Repayment of short term borrowings - ESPS Trust	**-**		(5,130.54)	
Proceeds from issue of share capital (net of issue expenses)	**-**		15,519.95	
Dividends Paid, including Divident Tax	**(2,276.07)**		-	
Interest paid	**(3,993.82)**		(3,305.02)	
Net Cash used in/(generated from) financing activities		**(12,749.88)**		23,987.81
Net (decrease)/increase in cash and cash equivalents		**(1,622.63)**		6,074.76
Cash and cash equivalents at the beginning of the year		**9,381.86**		3,307.10
Cash and cash equivalents at the end of the year		**7,759.23**		9,381.86

This is the Cash flow referred to in our report of even date

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Whole Time Director

Bhavani Balasubramanian
Partner
Place : Chennai
Date : May 16, 2008

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Notes to Abridged Accounts for the year ended March 31, 2008

1. Changes in Accounting Policy

Effective April 1, 2006 the Company adopted the revised Accounting Standard 15 (Revised 2005) on Employee Benefits, even though the standards were made mandatory for the accounting periods commencing on or after December 7, 2006. In line with this, the Company treated the benefits on account of leave encashment as a short-term benefit. In accordance with the guidelines and the clarifications issued by the Institute of Chartered Accountants of India during the current year, the Company changed the treatment on account of leave encashment treating it as a long-term benefit. Consequently an amount of Rs.50.33 lakhs provided in earlier year has been reversed in the current year. Had the Company followed the same policy as in the previous year, the profits for the current year would have been lower by Rs.69.39 Lakhs. **(Note No.2:- in the notes to accounts of the financial statements)**

2. Utilisation of Initial Public Offer (IPO) Funds up to March 31, 2008

(Rs. in Lakhs)

Details	2007-08	2006-07
Proceeds from issue of shares	**14,951.03**	14,951.03
Less: - Issue Expenses	**1,051.53**	357.58
Net IPO Proceeds	**13,899.50**	14,593.45
Less: - Utilisation of Funds	**10,755.83**	8,685.53
Balance of IPO Funds	**3,143.67**	5,907.92
Break up of Balance of IPO Funds :-		
Funds pending utilization and deployed as Working Capital	**2,173.67**	NIL
Funds pending utilization and held as fixed deposits	**970.00**	5,907.92
Total	**3,143.67**	5,907.92

The proceeds of initial public offer are being utilized for the purposes stated in the offer document. Funds pending utilization are deployed/invested in the manner approved by the members at the Annual General Meeting held on July 26, 2007. **(Note No. 3(a) in the notes to accounts of the financial statements)**

3. Acquisition of Easyaccess Financial Services Limited

With a view to access increased finance facilities, the Company acquired the entire equity shares of Easyaccess Financial Services Limited, a Non-Banking Finance Company, on January 10, 2008 for a consideration of Rs.274.74 Lakhs. Consequent to this acquisition Easyaccess Financial Services Limited became a wholly owned subsidiary of the Company. The Company made an additional equity investment of Rs.8000 Lakhs in February 2008 in the above subsidiary. **(Note No. 3(e) in the notes to accounts of the financial statements)**

4. Contingent Liabilities

(Rs. in Lakhs)

		As at March 31, 2008	As at March 31, 2007
i.	Guarantees by banks on behalf of the Company	**1,012.40**	2,883.51
ii.	Corporate Guarantees outstanding on behalf of subsidiaries	**37,257.26**	44,116.17
iii.	Bills discounted	**2,113.68**	2,759.28
iv.	Claims against Company not acknowledged as debts	**91.57**	114.05

v. Disputed Income Tax/Sales Tax/Customs Duty demands

(Rs. in Lakhs)

Name of the Statute	Nature of Dues	Financial Year	Forum where Dispute is pending	As at March 31, 2008	As at March 31, 2007
The Customs Act, 1962	Customs duty	Various Years	CESTAT	**15.27**	NIL
The Customs Act, 1962	Customs duty	1998-99	CEGAT	**NIL**	60.53
Income Tax Act, 1961	Income Tax	Various Years	CIT (Appeals)	**115.90**	115.90
Sales Tax Act of various states	Sales Tax	Various Years	Various appellate Authorities	**136.46**	115.50
Central Sales Tax Act, 1956	Sales Tax	Various Years	Various appellate Authorities	**84.16**	97.31

The Company has paid Rs.137.86 Lakhs under protest (P.Y. Rs.145.11 Lakhs), which has been considered as recoverable. The Company has been legally advised that these demands would not become ultimately payable on disposal of appeals and hence no provision is considered necessary. **(Note No. 3 (i) in the notes to accounts of the financial statements)**

5. The Company has issued letter of awareness to banks, with reference to compliance of terms and conditions of the facilities granted to its subsidiaries.

(Note No. 3(j) in the notes to accounts of the financial statements)

6. **Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for, (net of advances) is Rs.100.43 Lakhs (P.Y. Rs.102.75 Lakhs) **(Note No. 3(k) in the notes to accounts of the financial statements)**

7. **Accounting for Financial Instruments**

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 recognised 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.

Details of Foreign Exchange Contract Exposures as at March 31, 2008 are as under:

Type of Contract	Rs. in Lakhs
Forward Contracts entered into to hedge the foreign currency risk of highly probable forecast transactions	4,525.19
Forward Contracts entered into for import creditors outstanding	7,141.11

(Note No. 3(s) in the notes to accounts of the financial statements)

8. **Related Parties**

i) **Key Management Personnel**

Mr. R.Srinivasan, Managing Director

Mr. Raj Shankar, Deputy Managing Director – with effect from July 26, 2007

Mr. M.Raghunandan, Wholetime Director

ii) **Names of the related parties (as identified by the Management)**

Party where control exists	Redington Employee Share Purchase Trust

Parties with Significant Influence	Redington (Mauritius) Limited, Mauritius Synnex Mauritius Limited, Mauritius

Subsidiary Companies
Nook Holdings Limited, India *
Redington (India) Investments Private Limited, India*
Cadensworth (India) Limited, India*
Redington Gulf FZE, Dubai*
Cadensworth FZE, Dubai*
Redington Gulf & Co. LLC, Oman
Redington Nigeria Ltd, Nigeria
Redington Egypt Ltd, Egypt
Redington Kenya Ltd, Kenya
Redington Middle East LLC, Dubai
Redington Qatar WLL, Qatar
Redington Arabia Limited, Saudi Arabia
Redington Africa Distribution FZE. Dubai
Redington Bahrain SPC, Bahrain
Redington Distribution Pte Ltd, Singapore *
Redington Bangladesh Limited, Bangladesh
Redington Qatar Distribution WLL, Qatar
Easyaccess Financial Services Limited, India*

**Represents companies with whom transactions have taken place during the year.*

iii) **Nature of Transactions**

(Rs. in Lakhs)

Nature of Transactions	Year Ended March 31 2008	Year Ended March 31 2007
	Party Where Control Exists	Party Where Control Exists
Redington Employees Share Purchase Trust		
Interest Income	1.25	NIL
Interest Expense	NIL	14.68
Trust Expenses	1.44	27.85
Amount Receivable at year end	0.99	NIL
Amount Payable at year end	NIL	27.85
Loan Granted	25.50	NIL
Loan Repaid	18.00	NIL
Loan Borrowed	NIL	5,130.54
Loan Repaid	NIL	5,130.54

(Rs. in Lakhs)

Nature of Transactions	Year Ended March 31 2008	Year Ended March 31 2007
	Parties with Significant Influence	Parties with Significant Influence
Redington (Mauritius) Limited		
Dividend Paid	847.54	NIL
Synnex Mauritius Limited		
Dividend Paid	550.95	NIL

(Rs. in Lakhs)

Nature of Transactions	Year Ended March 31 2008	Year Ended March 31 2007
	Subsidiary Companies	Subsidiary Companies
Nook Holdings Ltd		
Rent	6.00	6.00
Interest Income	2.11	2.38
Amount Receivable at year end	14.90	17.52
Investments at year end	15.32	15.32
Redington (India) Investment Private Ltd		
Consultancy Charges	NIL	0.83
Investments at year end	5.00	5.00
Easyaccess Financial Services Ltd		
Lease Rent	0.68	NIL
Sales/Service Charges - Income	274.23	NIL
Receivables Factored	47,490.44	NIL
Factoring Expenses	342.28	NIL
Interest Income	0.22	NIL
Amount Receivable at year end	170.39	NIL
Loan Granted	64.51	NIL
Loan Repaid	64.51	NIL
Equity Contribution	8,000.00	NIL
Investments at year end- Refer Note :- 3(e)	8,274.74	NIL
Cadensworth (India) Ltd		
Sales/Service Charges – Expense	13.48	0.99
Sales/Service Charges – Income	0.41	NIL
Interest Income	5.80	NIL
Interest Expense	NIL	7.15
Amount Payable at year end	13.33	NIL
Loan Granted	140.00	NIL
Loan Repaid	140.00	NIL
Loan Borrowed	NIL	380.00
Loan Settled	NIL	380.00
Investments at year end	612.27	612.27
Redington Distribution Pte Ltd		
Trading Purchases	3,199.43	15,111.19
Sales/Service Charges	24.48	1,072.95
Trade Mark License Fees	161.10	180.99
Amount Payable at year end	117.07	258.83
Investments at year end	1,762.81	1,762.81
Redington Gulf FZE		
Interest Income	NIL	73.81
Loan Granted	NIL	6,437.72
Loan Repaid	NIL	6,437.72
Investments at year end	21,412.33	21,412.33
Cadensworth FZE		
Trading Purchases	0.47	1.37
Amou nt Payable at year end	NIL	0.01

(Note No. 3(u) in the notes to accounts of the financial statements)

9. Employee Stock Option Plan 2008

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-promoter 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. Based on the intrinsic value accounting, no compensation costs has been recognized in these accounts. Out of the options granted, 1,30,113 options lapsed and 22,05,860 options were outstanding as on March 31, 2008. These options vest over a period of 36 months from the date of grant and are to be exercised within in a maximum period of 5 years from the date of vesting.

Based on the following assumptions, the fair value of each stock option granted under Employee Stock Option Plan 2008 as on the date of grant using Black-Scholes Option Pricing Formula is Rs.143.39.

Assumptions:

Stock Price: Closing price on NSE as on the date of grant has been considered for valuing the grants.

Volatility: There is no adequate price history available for the shares as the shares of the company are listed on Recognized Stock Exchange from February 15, 2007. We have not adopted the volatility of a peer group company as recommended by the guidelines as there are no such peer group companies. The volatility is calculated based on the data available from February 15, 2007 to March 31, 2008.

Exercise Price: Options have been granted at a price of Rs.348.05 being the closing price on the previous day i.e. February 28, 2008 of the date of grant.

Time of Maturity: The time to Maturity / Expected life of options is the period for which the company expects the options to be live. The minimum life of stock option is the minimum period before which the options cannot be exercised (one year) and the maximum life is the period after which the options cannot be exercised (eight years).

Expected Dividend yield: The Company has paid dividend for the first time in 2007 @ Rs.2.50 per share. Expected dividend yield has been calculated considering the same.

The impact on the profit of the Company for the year ended March 31, 2008 and the basic and diluted earnings per share, had the Company followed the fair value method of accounting for stock options is set out below:

(Rs. in lakhs)

	2007-08
Profit after tax as per Profit and Loss Account (a)	6,711.41
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	NIL
Less: Employee Stock Compensation Expense as per Fair Value Method	190.28
Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	6,521.13
Earnings per share based on earnings as per (a) above	
Basic	8.62
Diluted	8.62
Earnings per share had fair value method been employed for accounting of employee stock options	
Basic	8.37
Diluted	8.37

(Note No. 3(w) in the notes to accounts of the financial statements)

10. Ratios

(i) Sales to total assets ratio – 4.63 Times (Previous Year - 3.86 Times)

(ii) Operating Profit / Closing Capital Employed – 17.55% (Previous Year – 11.53%)

(iii) Return on Closing Networth – 11.78% (Previous Year – 7.93%)

(iv) Profit to sales ratio - 1.16% (Previous Year – 0.90%)

11. Previous year figures have been regrouped wherever necessary to conform to the current year's classification.

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Whole Time Director

Bhavani Balasubramanian
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 16, 2008

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No	28758	State Code	18
Balance Sheet Date	31-03-08		

II Capital raised during the year (Rs. in Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III Position of Mobilisation and Deployment of Funds (Rs. in Thousands)

Total Liabilities	8221048	Total assets	8221048
SOURCES OF FUNDS			
Paid-up Capital	778657	Reserves & Surplus	4916895
UnSecured Loans	1175810	Unsecured Loans	1346825
APPLICATION OF FUNDS			
Net Fixed Assets	531297	Investments	3208247
Net Current Assets	4481504	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV Performance of Company (Rs. in Thousands)

Turnover (incl. Other Income	57802741	Total Expenditure	56767032
+/- Profit/Loss before tax	+1035709	+/- Profit/Loss after tax	+671141
Earning per Share (in Rs.) (Basic)	8.62	Dividend Rate %	35
Earning per Share (in Rs.) (Diluted)	8.62		

V Generic Names of Three Principal Products/Services of the Company (As per monetary terms)

Item Code No. (ITC Code)	NA	Product Description	NA

Place : Chennai
Date : May 16, 2008

ABDRIDGED CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT ON THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS OF REDINGTON (INDIA) LIMITED AND ITS SUBSIDIARIES

To

The Board of Directors

Redington (India) Limited

We have examined the attached abridged consolidated Balance Sheet of Redington (India) Limited (the "Company") and its subsidiaries (the "Group") as at March 31, 2008, the abridged consolidated profit and loss account and the cash flow statement for the year ended on that date, together with the notes thereon. These abridged consolidated financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the audited Consolidated Financial Statements of the Company for the year ended March 31, 2008 prepared in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified in the Companies (Accounting Standard) Rules, 2006 and covered by our report of even date to the Board of Directors of the company which report is attached. The reallocations required for this purpose and the important ratios are as made/prepared by the company.

For Deloitte Haskins & Sells
Chartered Accountants

Bhavani Balasubramanian
Partner
Membership No. 22156

Place : Chennai
Date : May 16, 2008

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF REDINGTON (INDIA) LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF REDINGTON (INDIA) LIMITED AND ITS SUBSIDIARIES

We have audited the attached Consolidated Balance Sheet of Redington (India) Limited (the "Company") and its subsidiaries (the "Group") as at March 31, 2008; the consolidated profit and loss account and also the consolidated cash flow statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other relevant financial information. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the consolidated financial statements of Redington Gulf FZE and Redington Distribution Pte Limited, whose financial statements reflect total assets of Rs. 95,951.10 lakhs as at March 31, 2008, total revenues of Rs. 512,924.72 lakhs and net cash inflows amounting to Rs. 1055.80 Lakhs for the year ended on that date. These financial statements and other relevant financial information have been audited by other auditors whose report has been furnished to us, and our opinion in so far as it relates to the amounts included in respect of the aforesaid subsidiaries is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified in the Companies (Accounting Standard) Rules, 2006.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

i) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2008;

ii) in the case of the consolidated profit and loss account, of the profit of the Group for the year ended on that date; and

iii) in the case of the consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants

Bhavani Balasubramanian
Partner
Membership No. 22156

Place : Chennai
Date : May 16, 2008

ABRIDGED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

(Rs. in Lakhs)

	As At 31.03.2008	As At 31.03.2007
SOURCES OF FUNDS		
(1) Shareholders' Funds		
a. Capital		
I. Equity	**7,786.57**	7,786.57
b. Reserves and Surplus		
I. Capital Reserve	**239.97**	258.72
II. Securities Premium Account	**32,791.44**	32,791.44
III. General Reserve	**1,095.32**	424.18
IV. Statutory Reserve	**56.69**	34.94
V. Hedge Accounting Reserve	**(69.67)**	–
VI. Foreign Currency Translation Reserve	**(1,037.08)**	(297.02)
VII. Surplus in Profit and Loss Account	**31,285.74**	21,562.41
Total	**72,148.98**	62,561.24
(2) Loan Funds		
a. Non-Convertible Debenture	**10,500.00**	–
b. Secured Loans	**18,778.31**	12,432.15
c. Unsecured Loans	**49,117.05**	47,694.94
Total	**78,395.36**	60,127.09
(3) Finance Lease Obligation	**–**	4.15
Total (1 + 2 + 3)	**150,544.34**	122,692.48
APPLICATION OF FUNDS		
(1) Fixed Assets		
(a) Net block (Gross Block less Accumulated Depreciation)	**6,790.85**	4,335.40
(b) Capital advances	**335.23**	132.20
(2) Goodwill	**5,350.31**	3,830.51
(3) Deferred Tax (Asset)	**4.57**	(89.40)
(4) (i) Current assets, loans and advances		
a. Inventories	**71,878.82**	64,796.02
b. Sundry Debtors	**107,881.75**	77,257.12
c. Cash and bank balances	**18,295.31**	19,943.96
d. Loans and advances	**10,700.64**	6,087.86
Total	**208,756.52**	168,084.96
(ii) Current liabilities and provisions		
(a) Liabilities	**66,466.34**	50,844.51
(b) Provisions	**4,226.80**	2,756.68
Total	**70,693.14**	53,601.19
Net current assets (i – ii)	**138,063.38**	114,483.77
Total (1 + 2 + 3 + 4)	**150,544.34**	122,692.48

This is the Consolidated Abridged Balance Sheet referred to in our report of even date

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Whole Time Director

Bhavani Balasubramanian
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 16, 2008

ABRIDGED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. in Lakhs)

		Year Ended March 31, 2008	Year Ended March 31, 2007
I.	**Income**		
	Sales & Service Income	**1,087,005.88**	906,139.02
	Interest	**1,081.61**	365.14
	Other Income	**293.94**	(16.99)
	Total	**1,088,381.43**	906,487.17
II.	**Expenditure**		
	Cost of good sold		
	(i) Opening Stock	**64,796.02**	48,140.03
	(ii) Purchases	**1,041,066.75**	882,601.35
	(iii) Closing Stock	**71,878.82**	64,796.02
	(i + ii - iii)	**1,033,983.95**	865,945.36
	Trading expenses	**3,484.61**	2,546.27
	Employee Compensation Costs	**11,482.95**	7,651.55
	Managerial Remuneration	**424.15**	397.68
	Interest	**7,200.20**	5,794.04
	Depreciation	**997.82**	1,328.34
	Auditor's remuneration	**164.50**	127.11
	Bad Debts Written Off and Provision for doubtful debts	**752.06**	655.42
	Other expenses	**12,185.39**	9,316.81
	Total	**1,070,675.63**	893,762.58
III.	**Profit before tax**	**17,705.80**	12,724.59
IV.	**Provision for taxation**	**4,098.43**	2,554.92
V.	**Profit after tax**	**13,607.37**	10,169.67
VI.	**Proposed Dividend - Equity Shares including Corporate Dividend Tax**	**3,188.46**	2,277.47
VII.	**Transfer to reserves/surplus**	**10,418.91**	7,892.20
EARNINGS PER SHARE			
	EPS – Basic (Face Value – Rs. 10 Per Share)	**17.48**	15.36
	EPS – Diluted (Face Value – Rs. 10 Per Share)	**17.47**	15.36
	Weighted Average Number of shares for calculating earnings per share		
	Basic	**77,865,746**	66,205,147
	Diluted	**77,871,974**	66,205,147

This is the Consolidated Abridged Profit and Loss Account referred to in our report of even date

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Whole Time Director

Bhavani Balasubramanian
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 16, 2008

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2008		Year Ended March 31, 2007	
Cash flow from operating activities:				
Net Profit before taxation	**17,705.80**		12,724.59	
Adjustments for:				
- Depreciation	**997.82**		1,328.34	
- Interest Expense	**7,200.20**		5,794.04	
- Interest Income	**(1,081.61)**		(365.14)	
- Provision for Doubtful debts	**1,022.81**		594.35	
- Unrealised Foreign Exchange Variation (Net)	**(142.70)**		(46.37)	
- Profit on redemption of investment in mutual funds	**-**		(1.29)	
- Loss/(Profit) on sale of fixed assets	**11.38**		(24.74)	
Operating Profit before working capital changes	**25,713.70**		20,003.78	
Increase in Sundry Debtors	**(31,647.44)**		(20,248.05)	
(Increase)/Decrease in Loans and advances	**(4,820.70)**		2,468.91	
Increase in Inventories	**(7,082.80)**		(16,655.99)	
Increase in Current liabilities	**14,571.24**		8,317.66	
Cash used in operations	**(3,266.00)**		(6,113.69)	
Interest Paid by Financial Services Subsidiary	**(14.27)**			
Income tax/Fringe Benefit tax paid (net of refunds received)	**(2,589.56)**		(2,168.73)	
Net Cash used in operating activities		**(5,869.83)**		(8,282.42)
Cash flow from investing activities:				
Purchase of fixed assets	**(3,699.70)**		(3,155.67)	
Proceeds from sale of fixed assets	**32.02**		114.55	
Interest received	**1,203.64**		430.38	
Loan granted to ESPS Trust	**(25.50)**			
Loan settled by ESPS Trust	**18.00**			
Investment in subsidiaries	**(274.74)**		(1,000.00)	
Proceeds from redemption of investments	**-**		1,001.29	
Net Cash used in investing activities		**(2,746.28)**		(2,609.45)
Cash flow from financing activities:				
Proceeds from issue of share capital (Net of issue expenses)	**-**		15,519.94	
Proceeds from short term borrowings (Net)	**18,268.27**		12,286.98	
Proceeds from short term borrowings - ESPS Trust	**-**		5,130.54	
Repayment of short term borrowings - ESPS Trust	**-**		(5,130.54)	
Dividends Paid, including dividend tax	**(2,276.07)**		-	
Interest paid	**(7,113.40)**		(5,835.20)	
Net Cash generated from financing activities		**8,878.80**		21,971.72
Net increase in cash and cash equivalents		**262.69**		11,079.85
Cash and cash equivalents at the beginning of the year		**19,943.96**		9,663.52
Opening cash balances of subsidiaries acquired & consolidated during the year		**215.29**		
Currency Translation Adjustment		**(2,226.63)**		(799.41)
Cash and cash equivalents at the end of the year		**18,195.31**		19,943.96
Reconciliation of Cash and cash equivalents				
Cash and cash equivalents at the end of the year as per Balance Sheet		**18,295.31**		19,943.96
Less: Bank deposits held for more than three months		**100.00**		-
		18,195.31		19,943.96

This is the consolidated cash flow referred to in our report of even date

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Whole Time Director

Bhavani Balasubramanian
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 16, 2008

Notes to Abridged consolidated financial statements for the year ended March 31, 2008

1. Basis of consolidation

The following have been considered in preparing the consolidated financial statements:

a. Financial Statements of Redington (India) Limited, Cadensworth (India) Limited, Easyaccess Financial Services Limited, Nook Holdings Limited and Redington (India) Investments Private Limited audited by Deloitte Haskins and Sells, Chennai.

b. Consolidated financial statements of Redington Gulf FZE audited by Deloitte & Touche (M.E.)

c. Consolidated financial statements of Redington Distribution Pte. Limited audited by Ernst & Young

The audited financial statements of the Parent Company and its Indian subsidiaries and the consolidated financial statements of Redington Gulf FZE and Redington Distribution Pte Limited used in the consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter Company balances and transactions and unrealized profits or losses have been fully eliminated.

b) Goodwill arising on consolidation represents the excess of carrying cost of acquisition of subsidiaries over the net worth of the respective subsidiaries. Capital Reserve arising on consolidation represents the excess of net worth over the carrying cost of acquisition of the respective subsidiaries. Such capital reserve has been adjusted against the Goodwill in the presentation of consolidated financial statements.

c) The notes to the Consolidated financial statements are prepared under the requirements of Indian GAAP.

(Note no: 2 in the notes to Consolidated accounts)

2. Changes in Accounting Policy

Effective April 1, 2006 the Parent Company and its Indian Subsidiaries adopted the revised Accounting Standard 15 (Revised 2005) on Employee Benefits, even though the standards were made mandatory for the accounting periods commencing on or after December 7, 2006. In line with this, the Parent Company and its Indian Subsidiaries treated the benefits on account of leave encashment as a short-term benefit. In accordance with the guidelines and the clarifications issued by the Institute of Chartered Accountants of India during the current year, the Parent Company and its Indian Subsidiaries changed the treatment on account of leave encashment treating it as a long-term benefit. Consequently an amount of Rs.50.96 lakhs provided in earlier year has been reversed in the current year. Had the Parent Company and its Indian Subsidiaries followed the same policy as in the previous year, the profits for the current year would have been lower by Rs.70.78 Lakhs. **(Note no: 4 in the notes to consolidated accounts)**

3. Utilisation of Initial Public Offer (IPO) Funds upto March 31, 2008

(Rs. in Lakhs)

Details	2007-08	2006-07
Proceeds from issue of shares	**14,951.03**	14,951.03
Less: - Issue Expenses	**1,051.53**	357.58
Net IPO Proceeds	**13,899.50**	14,593.45
Less: - Utilisation of Funds	**8,142.57**	4,702.78
Balance of IPO Funds	**5,756.93**	9,890.67
Breakup of Balance of IPO Funds :-		
Funds pending utilisation and deployed in Working Capital	**2,173.67**	NIL
Funds pending utilisation and held as fixed deposits	**3,583.26**	9,890.67
Total	**5,756.93**	9,890.67

The proceeds of initial public offer are being utilised for the purposes stated in the offer document. Funds pending utilisation are deployed/invested in the manner approved by the members at the Annual General Meeting held on July 26, 2007. **(Note No. 5(a) in the notes to consolidated accounts)**

4. Unsecured Loans

Unsecured loans include redeemable and non convertible debentures of Rs. 10500 lakhs that were privately placed having a maturity period of 28 to 89 days by its wholly owned subsidiary, Easyaccess Financial Services Limited, a Non Banking Finance Company. **(Note no: 5(c) in the notes to consolidated accounts)**

5. **Contingent Liabilities**

(Rs. in Lakhs)

		As at March 31, 2008	**As at March 31, 2007**
a.	Guarantees by banks	**1,420.28**	3,365.85
b.	Disputed Income Tax/ Sales Tax/ Customs Duty demands*		
	- Disputed customs duty	**15.27**	60.53
	- Disputed sales tax demand	**220.62**	212.81
	- Disputed Income tax demand	**115.90**	115.90
c.	Letter of Credit	**2,248.37**	3,444.95
d.	Bills discounted	**4,611.60**	8,306.30
e.	Claims against Company not Acknowledged as debts	**91.57**	114.05

* The Parent Company has paid Rs.137.86 Lakhs under protest (Previous year Rs.145.11 Lakhs), which has been considered as recoverable. The Parent Company has been legally advised that these demands would not become ultimately payable on disposal of appeals and hence no provision is considered necessary. **(Note no: 5(i) in the notes to consolidated accounts)**

6. **Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for, (net of advances) Rs.101.08 Lakhs (P.Y. Rs.516.65 Lakhs). **(Note no: 5(j) in the notes to consolidated accounts)**

7. **Employee Stock Option Plan 2008**

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-promoter directors of the Parent 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 the day preceding the date of grant i.e. February 28, 2008. Based on the intrinsic value accounting, no compensation costs has been recognized in these accounts. Out of the options granted, 1,30,113 options lapsed and 22,05,860 options were outstanding as on March 31, 2008. These options vest over a period of 36 months from the date of grant and are to be exercised within a maximum period of 5 years from the date of vesting.

Based on the following assumptions, the fair value of each stock option granted under Employee Stock Option Plan 2008 as on the date of grant using Black-Scholes Option Pricing Formula is Rs.143.39.

Assumptions

Stock Price: Closing price on NSE as on the date of grant has been considered for valuing the grants.

Volatility: There is no adequate price history for the shares are available as the shares of the Company are listed on a recognized stock exchange on February 15, 2007. We have not adopted the volatility of a peer group Company as recommended by the guidelines as there are no such peer group Companies. The volatility is calculated based on the data available from February 15, 2007 to March 31, 2008.

Exercise Price: Options have been granted at a price of Rs.348.05 being the closing price on the previous day i.e. February 28, 2008 of the date of grant.

Time of Maturity: The time to Maturity/Expected life of options is the period for which the Company expects the options to be live. The minimum life of stock option is the minimum period before which the options cannot be exercised (one year) and the maximum life is the period after which the options cannot be exercised (eight years).

Expected Dividend yield: The Company has paid dividend for the first time in 2007 @ Rs.2.50 per share. Expected dividend yield has been calculated considering the same.

The impact on the profit of the Group for the year ended March 31, 2008 and the basic and diluted earnings per share had the Group followed the fair value method of accounting for stock options is set out below:

(Rs. in lakhs)

	2007-08
Profit after tax as per Profit and Loss Account (a)	13607.37
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	NIL
Less: Employee Stock Compensation Expense as per Fair Value Method	190.28
Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	13417.09
Earnings per share based on earnings as per (a) above	
Basic (Face Value – Rs. 10/- per share)	17.48
Diluted (Face Value – Rs. 10/- per share)	17.47
Earnings per share had fair value method been employed for accounting of employee stock options	
Basic (Face Value – Rs. 10/- per share)	17.23
Diluted (Face Value – Rs. 10/- per share)	17.23

(Note No. 5(i) in the notes to consolidated accounts)

8. Accounting for Financial Instruments

Pursuant to the announcement of the Institute of Chartered Accountants of India (ICAI) in respect of "Accounting for Financial Instruments", the Parent 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 Parent Company has recognised 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. **(Note no: 5(p) in the notes to consolidated accounts)**

9. Ratios

(i) Sales to total assets ratio - 4.91 times (Previous Year – 5.14 times)

(ii) Operating Profit / Closing Capital Employed – 16.54% (Previous Year – 15.09%)

(iii) Return on Closing Networth– 18.86% (Previous Year – 16.26%)

(iv) Profit to Sales ratio – 1.25% (Previous Year – 1.12%)

10. Related Parties

i) Key Management Personnel

Mr. R Srinivasan, Managing Director * – Refer Note (iii) for remuneration

Mr. Raj Shankar, Deputy Managing Director – Refer Note (iii) for remuneration

Mr. M Raghunandan, Wholetime Director – Refer Note (iii) for remuneration.

* Appointed as Managing Director for Easyaccess Financial Services Limited with effect from February 4, 2008, without remuneration and is subject to the approval of the Central Government and Shareholders.

ii) Names of the related parties

Party where control exists	Redington Employee Share Purchase Trust
Parties with Significant Influence	Redington (Mauritius) Limited, Mauritius Synnex Mauritius Limited, Mauritius

iii) Remuneration to Key Management Personnel Rs.48.00 Lakhs (2006-07 Rs.39.25 Lakhs) (Key Management Personnel of Parent Company). Rs.334.45 Lakhs @ (2006-07 – Rs.344.93 Lakhs) (Key Management Personnel of Overseas subsidiaries).

@ Remuneration paid by overseas subsidiaries includes amounts paid to Managing Director and Deputy Managing Director of the Parent Company.

iv) Nature of Transactions

(Rs. in Lakhs)

Nature of transaction	Party where control exists	
	2007-08	**2006-07**
Interest Expense	**NIL**	14.68
Interest Income	**1.25**	NIL
Trust Expenses	**1.44**	27.85
Loan borrowed	**NIL**	5130.54
Loan settled	**NIL**	5130.54
Loan granted	**25.50**	NIL
Loan repaid	**18.00**	NIL
Amount Receivable at the end of the year	**0.99**	NIL
Amount Payable at the end of the year	**NIL**	27.85

v).

(Rs. in Lakhs)

Nature of transaction	Parties with significant influence	
	2007-08	**2006-07**
Redington (Mauritius) Limited		
Dividend Paid	**847.54**	NIL
Synnex Mauritius Limited		
Dividend Paid	**550.95**	NIL

(Note no: 5(r) in the notes to consolidated accounts)

11. Previous year figures have been regrouped wherever necessary to conform to current year's classification.

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Whole Time Director

Bhavani Balasubramanian
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 16, 2008

Statement pursuant exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary Companies

(Rs. In Lakhs)

Sl.No	Name of Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in subsidiary	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Tax	Proposed Dividend	Country
1	Nook Holdings Limited	INR	1.0000	5.00	5.14	25.16	15.02	-	6.00	2.89	1.15	1.74	-	INDIA
2	Redington (India) Investments Private Limited	INR	1.0000	5.00	5.51	10.62	0.11	-	0.71	0.48	0.16	0.32	-	INDIA
3	Easyaccess Financial Services Limited	INR	1.0000	8,203.00	135.42	26,339.33	18,000.91	-	344.22	225.65	103.58	122.07	-	INDIA
4	Cadenswoth (India) Limited	INR	1.0000	130.13	1,059.11	1,444.68	255.44	-	693.93	356.95	123.17	233.78	-	INDIA
5	Redington Bangladesh Limited	TAKA	0.6855	20.57	5.16	32.37	6.64	-	-	2.36	1.70	0.66	-	BANGLADESH
6	Redington Distribution Pte. Limited	USD	40.1200	1,604.80	996.11	11,384.95	8,784.04	-	66,150.10	537.58	111.01	426.57	-	SINGAPORE
7	Redington Gulf FZE	AED	10.9250	874.00	25,259.14	81,727.81	55,594.67	-	434,788.14	4,840.42	-	4,840.42	-	UAE
8	Redington Gulf and Co. LLC	RO	104.34	156.51	(16.74)	361.07	221.30	-	745.71	16.96	-	16.96	-	OMAN
9	Redington Nigeria Limited	NN	0.3428	34.28	700.04	13,312.70	12,578.38	-	42,985.93	217.93	79.05	138.88	-	NIGERIA
10	Redington Egypt Limited	LE	7.13	3.57	48.52	505.65	453.56	-	3,285.12	25.60	6.27	19.33	-	EGYPT
11	Redington Kenya Limited	SH	0.6429	6.43	(0.18)	5,100.55	5,094.30	-	11,812.01	119.92	(21.65)	141.57	-	KENYA
12	Cadensworth FZE	AED	10.9250	109.25	2,481.51	2,862.17	271.41	-	2,426.33	294.79	-	294.79	-	UAE
13	Redington Middle East LLC	AED	10.9250	32.78	462.92	6,831.52	6,335.82	-	34,942.79	174.90	-	174.90	-	UAE
14	Redington Qatar WLL	QR	11.0300	22.06	251.63	581.84	308.15	-	1,140.50	104.28	11.86	92.42	-	QATAR
15	Redington Africa Distribution FZE	AED	10.9250	109.25	480.00	1,062.87	473.62	-	78,652.95	355.28	-	355.28	-	UAE
16	Redington Arabia Limited	SR	10.700	107.00	518.90	1,220.16	594.26	-	3,337.80	120.55	38.12	82.43	-	SAUDI ARABIA
17	Redington Bahrain SPC	BD	106.4500	53.23	(35.42)	103.19	85.38	-	18.32	(35.68)	-	(35.68)	-	BAHRAIN

Redington Qatar Distribution WLL was incorporated on August 15, 2007. The Company is yet to commence its operations.

Abbreviation:

INR - Indian Rupees; AED - UAE Dirhams; QR - Qatari Riyal; RO - Omani Riyal; USD - US Dollar; NN - Nigerian Naira; SH - Kenyan Shilling; SR - Saudi Riyal; LE - Egyptian Pound;TAKA - Bangladesh Taka; BD - Bahrain Dinar.

REDINGTON (INDIA) LTD.

Regd. Office:SPL Guindy House, 95, Mount Road, Guindy,Chennai 600 032

ATTENDANCE SLIP

Fifteenth Annual General Meeting 26th July 2008

DP ID

Folio No.

Client ID

No. of Shares Held

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the Fifteenth Annual General Meeting of the Company at Mini Hall, Narada Gana Sabha, No.314 (Old No. 254), T.T.K Road, Alwarpet, Chennai-600 018 on Saturday, the 26th day of July 2008 at 11.00 A.M.

______________________________ ______________________________

Name of the member/proxy Signature of the member/Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

REDINGTON (INDIA) LTD.

Regd. Office:SPL Guindy House, 95, Mount Road, Guindy,Chennai 600 032

PROXY FORM

DP ID

Folio No.

Client ID

No. of Shares Held

I/We _____________________________________ of ___________________ in the district of __________________________being member /members of the Company hereby appoint______________________ of _______________in the district of _______________________ or failing him/her _________________________ of _________________in the district of _____________________ as my/our proxy to vote for me/us/on my/our behalf at the FIFTEENTH ANNUAL GENERAL MEETING of the Company to be held on Saturday, the 26th day of July 2008 at 11.00 A.M. at Mini Hall, Narada Gana Sabha, No.314 (Old No. 254), T.T.K Road, Alwarpet, Chennai-600 018 and at any adjournment (s) thereof.

Signed this______________________ day of ___________________ 2008.

Re. 1/-
Revenue
stamp

Signature ______________________________

Notes: This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting

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