REDINGTON

Setting new standards in supply chain services

ANNUAL REPORT 2008-2009

Redefining Service

Redington Service is one of the few service providers in India that have world-class support facilities and systems. We are setting new track records when it comes to building long-term partnership with our customers - be it global brands, walk-in customers or corporate customers. We have gained a stronghold in the price-sensitive Indian market and also been able to expand far and wide into difficult overseas geographies. Our proven and unique support capabilities make us true leaders when it comes to redefining a complete service solution provider.

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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. Tu, Shu-Chyuan Mr. Steven A. Pinto Mr. William Adamopoulos Mr. N. Srinivasan
Company Secretary	Mr. M. Muthukumarasamy
Statutory Auditors	M/s. Deloitte Haskins & Sells Chartered Accountants
Internal Auditors	M/s. 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, 4224 3352, 4224 3353 Fax : + 91 44 2235 2790
Website	www.redingtonindia.com

LETTER FROM THE MANAGING DIRECTOR

Dear Shareholder,

Fiscal 2009 witnessed a period of exceptionally challenging circumstances. What started off as a turmoil in the financial sectors of advanced economies snowballed into a global financial and economic crisis.

The impact of global and local factors slowed the growth momentum in the economies where your Company operates. Amidst such challenges, your Company concentrated its efforts on maintaining its growth in revenue and profitability. I wish to share here your company's response to these challenges and efforts to continue delivering value to its shareholders.

In India, while the impact of the crisis was not as harsh as anticipated, due to its relatively insulated financial sector and a lower dependence on export for GDP growth, contraction of available credit from banks to industries resulted in a slow down across all sectors in the second half of the fiscal year. In Middle East and Africa (MEA), the challenges of the world economy were compounded by the wide fluctuations in the oil prices which affected countries.

The revenue of your Company's Indian operations grew by 5% to touch Rs. 6071 Crores. While the growth in revenue was moderate, your Company's Profits-after-Tax grew by a robust 20% to Rs. 80.69 Crores driven by your Company's focus on high margin product lines and conscious efforts at all round cost reduction. However, with wide market reach and the strong presence of your company in its markets in MEA, the MEA operations were able to withstand the turmoil and still record a growth of 32% in revenue of Rs. 5782 Crores and 7% in Profit-after-Tax of Rs. 65.31 Crores respectively.

A major milestone in our MEA operations was the investment by a large and globally well known private equity fund, M/s. Investcorp Gulf Opportunity Fund Company I.B.S.C (Investcorp) in Redington Gulf. Investcorp acquired 27% equity interest in Redington Gulf in November 2008 at a premium. The funds were infused to be utilized for acquiring companies in markets in the Middle East, Turkey and Africa.

To enable Investcorp's investment and to meet the regulatory requirements of Jebel Ali Free Trade Zone and also to enable Redington Gulf's listing, Redington India's holdings in Redington Gulf has been restructured.

During the year, your Company added certain important global brands to its portfolio. RIM, manufacturers of "Blackberry" brand smart phones, tied up with your Company on an exclusive basis for "unlocked" version of their product. As many of you would have observed, Blackberry has become an important device in the commercial world and in India has the potential for rapid growth in its usage.

Oracle, a major player in the global software solution space and your Company partnered and commenced business in this year. This has been an important development in the Enterprise Business Unit of your Company. This product category is expected to contribute to the growth of our business in the software category.

The global banking crisis in 2008 and its spread to India and Middle East and Africa put a severe pressure on funds availability and the cost of these funds to businesses across various sectors. I am happy to report to you that your Company did not experience any reduction in facilities from its bankers. Your Company continued to enjoy the most competitive rates for the funds it borrowed. The favourable ratings received from rating agencies, CRISIL and ICRA, for the short term facilities and under BASEL II norms for bank borrowings.

The foreign exchange market scenario witnessed turbulence. By taking timely forward contracts towards the foreign currency exposures on imports and short term foreign currency loans, your Company insulated itself from the fluctuations in foreign currency markets.

The bulk of the Company's business with its trade partners is on credit terms. With tightening of credit facilities to our partners by their banks, your Company exercised caution on its credit policies and I am happy to report that the delinquencies during this extraordinary period was well under control.

This tightening of the credit by the financial sector gave a head start to your Company's NBFC subsidiary, namely, M/s. Easyaccess Financial Services Ltd (EAFSL). The ability to extend financing to your company's trade partners and their customers during this difficult period enabled the operations of EAFSL to record a good profit with no bad debt or overdues. The Company's customers view the financing facility as a great value proposition.

The Chennai Automated Distribution Centre, a modern, technologically intense warehouse, would commence its operations in July this year. This is the first of a series of distribution centres your Company is building in different cities in India and overseas. Construction of the New Delhi and Dubai distribution centres are being taken up in the current year and completion is scheduled by March, 2010. A network of such distribution centres will form the nucleus of your Company's supply chain infrastructure.

The service division of your Company could maintain its growth plan, despite recession, by taking many initiatives such as signing off with Intel on exclusive basis for walk-in centre support for their mother boards and processors, signing off with new mobile vendors and strengthening its key businesses like Infrastructure Management Services and Enterprise Business.

Another challenge which the industry started facing this year was impact of double taxation on certain products, which the taxation authorities treat both as supply of goods as well as rendering service. Your Company deals in few of those products. The proposed concept of GST is perceived to eliminate this anomaly.

While the Indian capial market witnessed volatile trading sessions with Sensex hitting a high of 21,400 to a low of 7,700 in the fiscal 2009, your Company's share price moved in tandem to the Midcap Index. While a few funds exited from your Company on their redemption pressures, it was heartening to note that the major funds who had invested during IPO continued to retain their portfolio during this period reflecting their confidence in your Company.

Last but not the least, tighter trade credit has caused an absolute reduction in overall demand across the economies where your Company operates. The Governments and the Central Banks across the globe are responding to this crisis with a variety of measures - all of which will take time to yield results. I recall what I stated in my last letter to you, - "While a combination of local and global 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 am pleased to state that this statement holds good even today.

I take this opportunity to thank the members for the abiding trust in Redington and look forward to continued support in the coming years.

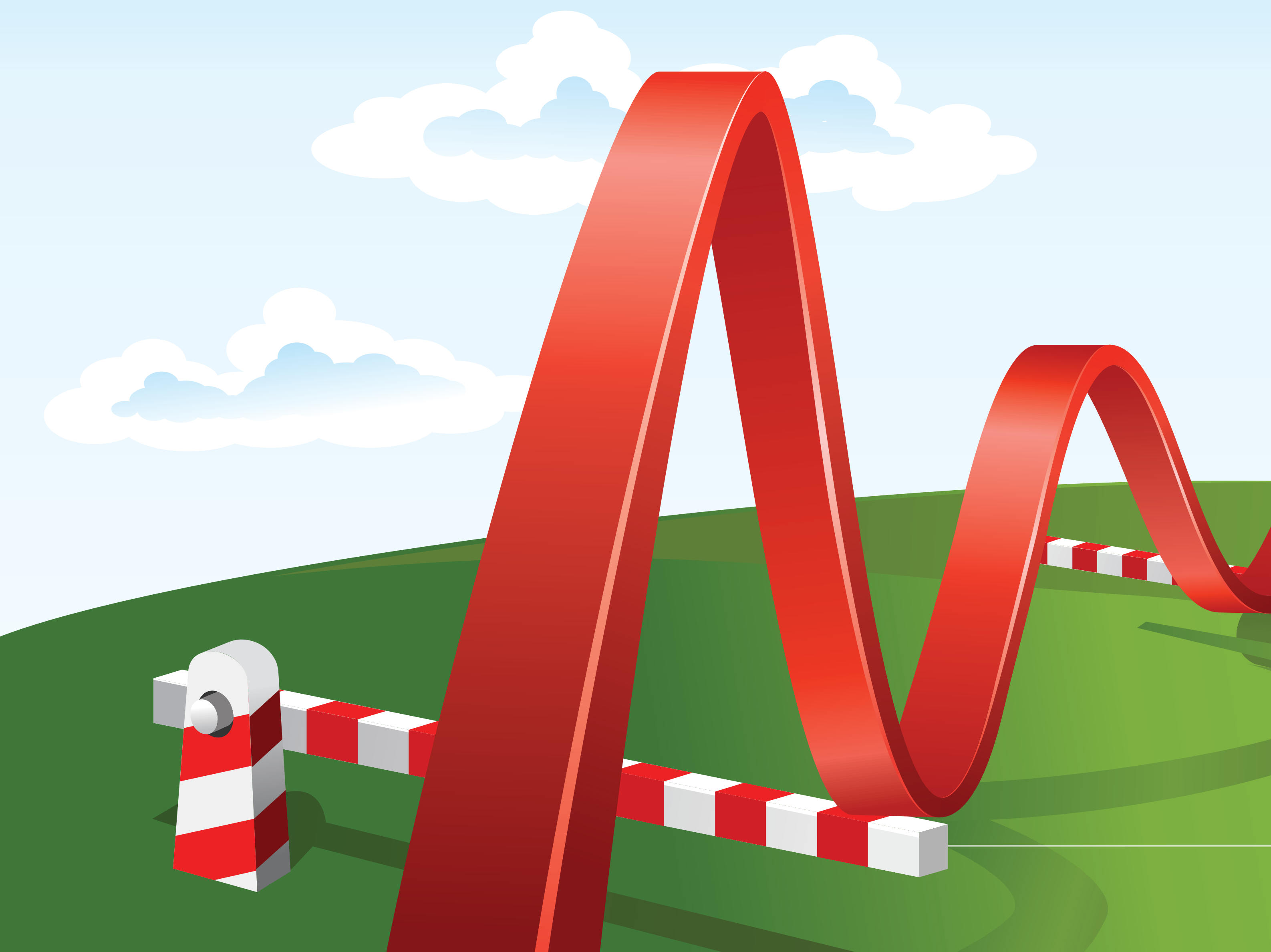
Warm regards,

R. Srinivasan

R. Srinivasan
Managing Director

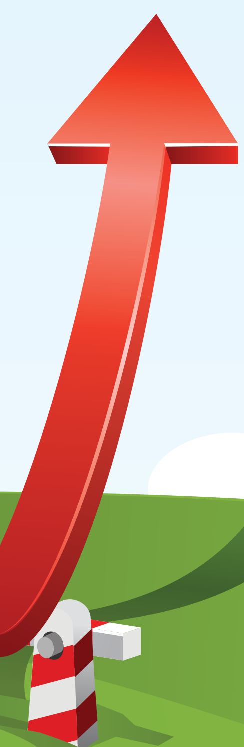
Chennai
May 22, 2009.

Options Unlimited



Building capabilities, stimulating growth

- Supply Chain Management - Over 8 lakh sq.ft. warehousing area; movement of over 1 lakh m tonnage
- Intelligent Automatic Distribution Centres
- Credit Management - 21,200 Channel Partners
- Vendor Management - 65 brands
- Product Management - 6000 SKUs
- Sales Acceleration - 54 branches & 1,250 professionals
- Service & Support - 21 brands & 258 service centres
- ISO 9001 certification for RME service centre
- Financial Services - Commercial finance to Channel Partners
- Fund Management - Access to multiple sources of funds; P1+ rating from CRISIL
- Imports - Green Channel across ports



SEVEN YEARS AT A GLANCE

Standalone Financials

(Rs. in crores)

Particulars	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**	**2003-04**	**2002-03**
Total Revenue	**6,071.64**	5,780.27	4,717.53	3,696.62	2,507.48	1,960.20	1,528.54
EBIDTA	**173.87**	148.25	101.76	68.90	45.00	35.83	26.87
PBT	**124.25**	103.57	65.63	45.33	27.21	24.54	16.57
PAT	**80.69**	67.11	42.42	29.14	17.26	15.49	10.57
Networth	**614.39**	569.56	535.02	367.63	316.34	104.98	89.49
Capital Employed	**904.29**	821.82	852.09	566.96	428.78	174.26	134.03
EBIDTA / Revenue	**2.86%**	2.56%	2.16%	1.86%	1.79%	1.83%	1.76%
PAT / Revenue	**1.33%**	1.16%	0.90%	0.79%	0.69%	0.79%	0.69%
Return on Average Capital Employed*	**31.20%**	25.87%	19.85%	20.45%	19.08%	21.37%	17.99%
Return on Average Equity*	**29.76%**	24.60%	17.91%	17.45%	13.17%	15.96%	12.32%
EPS (Rs.) #	**10.36**	8.62	6.41	4.79	4.30	5.27	3.60
Book Value per Share (Rs.)	**78.90**	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 Subsidiaries are excluded.

Consolidated Financials

(Rs. in crores)

Particulars	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Total Revenue	**12,683.14**	10,883.81	9,067.14	6,795.52	4,053.93	1,960.20	1,528.54
EBIDTA	**329.57**	259.04	198.47	131.06	83.93	35.90	26.93
PBT	**219.02**	177.06	127.25	92.36	53.67	24.57	16.59
PAT	**159.66**	136.07	101.70	74.34	42.38	15.51	10.58
Networth	**1,002.20**	721.49	625.61	432.86	341.29	105.60	90.10
Capital Employed	**2,226.51**	1,505.44	1,226.88	911.26	570.74	174.87	134.63
EBIDTA / Revenue	**2.60%**	2.38%	2.19%	1.93%	2.07%	1.83%	1.76%
PAT / Revenue	**1.26%**	1.25%	1.12%	1.09%	1.05%	0.79%	0.69%
Return on Average Capital Employed	**16.98%**	18.23%	17.32%	17.02%	21.52%	21.29%	17.93%
Return on Average Equity	**18.53%**	20.20%	19.22%	19.21%	18.97%	15.85%	12.22%
EPS (Rs.) #	**20.50**	17.48	15.36	12.23	10.57	5.28	3.60
Book Value per Share (Rs.)	**128.71**	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 Gulf FZE), FY 06 (Redington Distribution Pte Ltd and Cadensworth (India) Ltd) and FY 08 (Easyaccess Financial Services Ltd).

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2009. Pursuant to the provisions of Section 219 of the Companies Act, 1956 and as permitted by the Securities and Exchange Board of India (SEBI), abridged accounts are enclosed. Any member interested in obtaining copy of the unabridged accounts may write to the Company Secretary at the Registered Office.

Financial Highlights (Rs. In Crores)

Particulars	Consolidated		Stand alone	
	2008-09	2007-08	**2008-09**	2007-08
Net Sales /Income from operations	**12668.27**	10870.06	**6066.16**	5771.00
Other Income	**14.87**	13.15	**5.48**	9.09
Total Revenue	**12683.14**	10883.21	**6071.64**	5780.09
Total Expenditure				
a) Cost of goods sold	**12005.69**	10339.83	**5720.55**	5488.70
b) Trading Expenditure	**32.47**	34.85	**17.43**	21.15
c) Staff Cost	**150.27**	118.65	**75.81**	61.55
d) Other Expenditure	**165.14**	130.84	**83.98**	60.44
Profit before Interest, Depreciation and Tax (EBITA)	**329.57**	259.04	**173.87**	148.25
Interest	**97.82**	72.00	**44.91**	40.66
Depreciation	**12.73**	9.98	**4.71**	4.02
Profit before Tax (PBT)	**219.02**	177.06	**124.25**	103.57
Provision for Taxation	**49.98**	40.99	**43.56**	36.46
Profit after Tax (PAT)	**169.04**	136.07	**80.69**	67.11
Minority Interest	**9.38**	NIL	**NIL**	NIL
Net Profit for the year	**159.66**	136.07	**80.69**	67.11

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

		Rs. in Crores
Proposed Dividend at Rs. 4/- per share (i.e. 40%) for the year ended 31st March 2009	:	31.15
Dividend distribution tax	:	5.29
Transfer to General Reserve	:	8.06
Balance to be carried forward	:	36.19

Dividend

Your Directors are pleased to recommend a dividend of Rs. 4/- per Equity Share of Rs.10/- each (i.e. 40%) for the year ended March 31, 2009, as compared to Rs. 3.50 per share (i.e. 35%) in the previous year.

Strong Fundamentals

Excellence in Operations

Optimising Efficiency

Visibility to brands

Our presence in India and the overseas has led us to have a strong understanding of the laws of the land, people and policies. This enables Redington to get maximum reach and coverage for all brands it represents in the geography.

Wealth creation for stakeholders

The Company strives for consistent stakeholder wealth creation. While upholding the ethics of sound business development, our constant urge to look for potential business opportunities and continuous improvement in the operational efficiencies maximises the stakeholders' value.

Risk appetite - managing credit

Over 21,000 Channel Partners enjoy credit facility. The Company's robust credit assessment system, supported by a credit team across various geographies, assign credit limits to each partner. Our credit offerings are highly valued by our customers as it enhances their capacity to access large business.

The art of decision making for business

At Redington, we consider decision making a blend of technique, insight and instinct. Since people at all levels are empowered to take decisions, it is an innate part of our working philosophy.

Growing market share

Redington has been able to consistently maintain and improve its market share in a highly competitive business environment, thanks to its skilled resources as well as good relationship management with resellers and brand vendors.

Empowering people

Redington has given its employees at all levels the independence, backing and scope to find innovative ways to achieve the overall growth of the organisation. We encourage our employees to take risks, keeping in mind the benefits involved, and mitigate the risks that are detrimental to our growth.

Performance

The consolidated revenue of your Company was Rs.12683.14 crores as against Rs.10883.21 crores in the previous year with a CAGR of 33% for five years. And, the consolidated net profit for the year was Rs.159.66 crores as against Rs.136.07 crores in the previous year with a CAGR of 39% for five years.

The stand alone revenue of your Company was Rs.6071.64 crores as against Rs.5780.09 crores in the previous year and the profit after tax was Rs.80.69 crores as against Rs.67.11 crores in the previous year.

The Earnings per Share (EPS) on consolidated basis (based on weighted average number of shares) increased to Rs.20.50 in the current year as compared to Rs.17.48 in the previous year.

Distribution Business for Information Technology Products

The Company's customer base is now at 16,778 channel partners, to which products of about 58 brands are reached.

Owing to its healthy relationship with the big names in the IT industry, the Company could make the most of the growth opportunities in this space. As expected the revenue from the sale of these IT products continued to be moderate and satisfactory, despite the rough weather in this industry during the last two quarters of this fiscal year.

Other moves such as nurturing the upcountry market, increasing the number of billing locations and partners and focusing on certain key verticals such as Government, BFSI, ITeS, Education, etc. have also supplemented the Company's existing growth strategy.

However, the consumer segment recorded the sharpest deceleration during fiscal 2009, as compared to fiscal 2008. This was accentuated by slowdown in SMB and commercial sectors, which forms the bulk of the target market segment for your Company.

The Company was able to withstand its growth challenges by an increase in operational efficiencies among existing products and a continuous addition of key vendors to its portfolio such as, Oracle, Ncomputing, NeoAccel, Netapp, Nortel, Socomec & Luminous.

Products from some of these vendors would allow your Company to address new technological requirements in the market such as third generation VPN, high performance Intelligent Connection Acceleration Architecture (ICAA) & Transparent Secure Sockets Layer (TSSL) technology for secure and compliant remote workforce, remote data centre storage and economical secondary storage, etc.

The measures announced by the Reserve Bank of India to free up credit are expected to revive demand and spending pattern during the second half of fiscal 2010. Your Company has also oriented its focus towards demand being created due to sustained Government spending in Infrastructure, e-Governance, development projects and essential investments in Public Sector Banks and the Education Segment.

Distribution Business for Consumer Electronics and Digital Lifestyle Products

As part of its efforts to de-risk business, your Company forayed into the distribution of non-information technology products as early as 2004. It was due to its success in a pan-India distribution network that enabled the Company to foray into the Non-IT sector, which included products like Digital Life Style, Digital Printing and Consumer Electronic goods.

In addition to distributing the products such as Apple iPods, Mac, gaming and telecom products, the Life Style Unit also caters to the requirements of Large Format Retail space. During the year, this division bagged a contract from Research In Motion and signed up as a National Retail Distributor, which includes both Retail and Channel Distribution for BlackBerry (SIM unlocked) Smartphones. The freedom of unlocking SIM enables a customer to activate the handset with any of his or her preferred service provider of airtime - Voice and Data. This strategic business initiative would help to efficiently tap the fast- growing Personal Digital Assistant (PDA) mobile communication market in India.

The Consumer Electronics' business includes LG Consumer Appliances and Electronics and Whirlpool Consumer Appliances. During the year, the market spread was increased by inducting four new branches in Villupuram, Thiruvananthapuram, Salem and Bengaluru and the dealers' strength has grown by 45% from 722 dealers to 1045 dealers. It enabled the Unit to grow 83% on its top line over the last year. With operations commencing in Bengaluru, we have made an entry into Karnataka. The other two States where we already have operations are Tamil Nadu and Kerala.

Support Service Business

Your Company, as a Neutral National Service Provider for many global IT and Telecom brands, has had consistent growth over years. It continues to be an Authorised Service Provider for some of the best brands like HP, Intel, Nortel, Sun Micro, Lenovo, IBM, Motorola, Huawei, etc. And extends both Warranty and Post-warranty support at the Service Centres for walk-in as well as on-site customers.

The key business projects in terms of revenue continue to be IMS (Infrastructure Management Services) Business, HP Consumer PC Warranty service and HLRC - board level repair centres for mobile phones. During the year 2008-09, your Company successfully ventured in to Remote Service Management and Facility Management Outsourcing Services. It maintained business relations with all existing vendors and also added a few new ones such as Intel and Apple.

The Company's wholly-owned subsidiary, M/s. Cadensworth (India) Limited, which is engaged in the business of repairing Intel Motherboards, LCD Panels of Lenovo, Wipro and Acer and servicing the products of Plantronics, provides additional revenue to our service business.

With the increase in the number of Service Centres from 206 to 258 spread across India, of which 211 centres are partner- owned, your Company is better placed to grab opportunities in this growing.

Foray into 3PL/4PL Services

With an objective to capitalise on the growing demand for Third Party Logistics Services (3PL), your Company has forayed into 3PL activities during the 2nd quarter of 2007-08.

It has entered into 3PL agreements with M/s. Cadbury India Limited for Bengaluru, M/s. Sonicwall, to handle reverse logistics on all-India basis, M/s. Vodafone Essar South Limited for Chennai circle and M/s.Kuehne + Nagel to provide services at Mumbai & other western parts of India.

This initiative by your Company would enable it to acquire the required skill sets in line with the current demands of the industry it starts providing 3PL / 4PL Services from its Automated Distribution Centres (ADCs).

This foray into new avenues of profitable business utilising our expertise in Supply Chain Management and sharing the available resources, is expected to bring operational efficiency and facilitate sustainable pofitability growth of your Company.

Automated Distribution Centre

For better utilisation of warehouse space and improved operational efficiency, your Company initiated the setting up of Automated Distribution Centres (ADCs) in the four metros of India and one in Dubai as well.

The first ADC in Chennai is in its completion stage and would be operational by July 2009. The construction of ADCs in Delhi and Kolkata, where the land had been purchased during last financial year, is expected to commence shortly. The experience and expertise in setting up of the ADC in Chennai would enable your Company to expedite setting up of ADCs in other places. Unlike the existing warehouses, in which the racks are 'flat' and more spread out (horizontal), these ADCs would have multiple storage with Very Narrow Aisle (VNA) Technology. These ADCs would also have world-class security and fire fighting systems. Your company has also bought and implemented a best of breed Warehouse Management Software (WMS) to handle complex warehousing operations with accuracy. The state-of-the-art facility of the ADCs would help your Company handle complex needs of the existing business as well as the 3PL business. It would improve overall efficiency with lesser cost of operation.

For setting up of ADC in Mumbai, properties have been identified and purchase of land is expected to be completed shortly.

Not only within the country, the Company is all set to start an ADC in Dubai as well. And a lease hold land has already been allotted by the Jebel Ali Free Zone Authorities. The construction of ADC in Jebel Ali, UAE, is expected to commence shortly.

Awards

Your Directors are pleased to mention that Redington Gulf FZE, Dubai, has been ranked as the No.1 IT Distributor in the Middle East by Channel Middle East Magazine for the fourth year in a row. As was done in the past, your company bagged several annual partner awards such as Best After Sales Service Provider Award for 2008, Best Distributor Award from Sonicwall, Best Emerging Partner Award from Sun Microsystems and more. Further details on awards, recognitions and certifications are given separately in this Annual Report.

Credit Rating

Your Company continues to enjoy the highest rating 'P1+' (read as P one plus) for its short-term borrowings, from CRISIL for Rs. 500 crore indicating very strong financial position. During the year, as part of rating requirements under Basel II norms for working capital facilities from banks, your Company is rated ‘P1+’ and ‘A+/Stable’ by CRISIL & ‘A1+’ and ‘LA+’ from ICRA for its short term debt instruments and cash credit facilities respectively.

Employee Stock Option Plan 2008

With an objective to attract & retain talent, your Company instituted an Employee Stock Option Plan in February 2008 and granted 23,35,973 options to the employees of the Company and its subsidiaries at the then existing market price of Rs. 348.05 per option.

The details of the options granted under the Redington (India) Limited - Employee Stock Option Plan - 2008 are given in the Annexure. Due to continuous slide in share prices caused by the global economic turmoil, the shares of your Company were trading in the stock market at a price much lower than the grant price. To make the scheme more attractive, during the year under review 19,59,830 options, that were granted and outstanding as of 28th January 2009, were re-priced at Rs.130/- per option.

Utilization of the Initial Public Issue proceeds

In the financial year 2006-07, your company went to the capital market with an Initial Public Offer (IPO) and mobilized funds (net of issue expenses) aggregating to Rs. 139 crores for meeting its various objectives, which includes setting-up Automated Distribution Centres and High Level Repair Centres.

A sum of Rs.116.98 crore has so far been utilized for the objectives stated in the offer document and the balance amount is used for working capital requirement as approved by the members at the Annual General Meeting held on 26th July 2007.

Shares in Demat Suspense Account

Out of the rejections from National Security Depository Ltd. for crediting the shares allotted under the Company's Initial Public Offer to certain shareholders due to insufficient/ incorrect information, 120 shares are lying unclaimed by two shareholders. These have been credited to a demat suspense account opened by the Registrar and Share Transfer Agents of the Company.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of your Company, Mr. Steven A Pinto and Mr. Huang Chi Cheng will retire by rotation as Directors at the forthcoming Annual General Meeting.

Mr. Steven Pinto and Mr. Huang Chi Cheng being eligible have offered themselves for re-appointment.

During the year, Mr. N. Srinivasan and Mr. Tu, Shu-Chyuan were appointed as Additional Directors of the Company by the Board of Directors, at their meeting held on 26th July 2008 and 24th October 2008 respectively. They will hold office till the date of this annual general meeting.

Mr. N. Srinivasan was inducted as an Independent Director on the Board. He has expertise in Corporate Finance and Audit, was head of various prestigious bodies in India and abroad, and holds Directorship in many Public Listed companies in India.

Senior Management Team - India

Mr. P.S. Neogi
President - India Operations (IT Business)

Mr. P.S. Neogi joined Redington Singapore in 1992, handling its Epson, Intel and NEC businesses. He joined the Company in India in 2000 and has overall professional experience of 23 years. Presently, he is the President - India operations (IT Business). Prior to joining our Company, he was employed with Elof Hansson (India) Private Limited, one of Sweden's largest trading houses, as a Marketing Manager.

Mr. E.H. Kasturi Rangan
President - New Business

Mr. E.H. Kasturi Rangan, starting his career as a chartered accountant in practice for more than a decade, joined the Company in 1999 as its Credit Consultant and developed the Company's system for granting credit facilities to channel partners. In 2004, he took the responsibility of operations including supply chain management. Presently, he is the President, heading Operations and New Business Ventures and Projects for the Company.

Mr. S.V. Rao
Vice President - Support

Mr. S.V. Rao has been with Redington since April 1995, having joined as an area support manager. Presently, he acts as Vice President, Support, and heads the Company's national service and support team. Prior to joining the Company, Mr. S.V. Rao was associated with Blue Star Limited as Assistant Manager, Customer Support, for six years.

Mr. S.V. Krishnan
Chief Financial Officer

Mr. S.V. Krishnan is a Chartered Accountant, Cost Accountant and Company Secretary. He has over 13 years of industry experience and joined Redington in May 1998. He currently heads Finance and Accounts. Prior to joining Redington, he was employed with Ashok Leyland Ltd.

Mr. Clynton Almedia
Chief Information Officer

Mr. Clynton Almedia joined the Company on April 19, 2000, as General Manager, information technology, and was subsequently in charge of infrastructure and enterprise resource planning divisions. Currently, he is the Chief Information Officer and heads the information technology team of the Company. Prior to joining the Company, he was the Senior Technical Consultant heading a team for J.D. Edwards' enterprise resource planning practice for Systime Computers Limited in Mumbai. He was also employed with Jumbo Electronics Company Limited, Dubai as Manager, Information Technology, and Par Computers International, Mumbai, as an Analyst Programer.

Mr. Tu, Shu-Chyuan was co-opted on the Board in place of Mr. Hu, Jia Lung, the earlier nominee of M/s. Synnex Global Limited, Taiwan. Mr. Tu is an engineering graduate, holds a Masters degree in Computer Engineering and has vast working experience in global IT industry.

The experience and expertise that the new directors possess would be of immense benefit to your Company. Resolutions for their appointment as Directors of the Company are included in the agenda of the ensuing Annual General Meeting.

Mr. Hu, Jia Lung, Director representing M/s. Synnex Global Limited resigned from the Board with effect from 24th October 2008. The Board accepted his resignation and placed on record its sincere appreciation for his valuable contribution to the growth and success of your 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 2009 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 your Company would retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Corporate Governance Report and MD&A

The report on Corporate Governance with Management Discussion & Analysis Report, as annexure, forms part of this Annual Report.

Disclosure under Section 217 of the Companies Act, 1956

As per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the report and accounts are being sent to all the members excluding the statements of particular under Section 217(2A). Any member interested in obtaining a copy of the statement may write to the Company.

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 Inflow / Outflow

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

Earnings	:	Rs. 93.84 crore
Outflow	:	Rs. 1339.81 crore
Dividend remitted in foreign currency	:	Rs. 19.68 crore

Performance of Subsidiaries

During the year, your company's Indian and Overseas direct and step down subsidiary companies have made good contribution to the consolidated growth of revenue and earnings.

M/s. Easyaccess Financial Services Limited (Easyaccess), an RBI registered non-deposit accepting Non-Banking Finance Company, played an important role by providing finance to your company's Channel Partners in the IT Distribution Industry for the year ended 31st March, 2009, after it was taken over by your Company in January 2008. Easyaccess extended "Channel Finance" to more than 50 Channel Partners enabling overall increase in the business to your Company. This is expected to result in more customers doing business with your Company in future.

Your company's operations in Middle East and Africa (MEA) are being carried out by its overseas subsidiaries and financial of consolidated at Redington Gulf FZE (RGF). The subsidiaries performance in MEA markets was a prime factor for a consistent growth in consolidated revenue and earnings. The business growth was achieved through constant addition of new brands, product lines and geographies. During the year, RGF and its subsidiaries have implemented SAP ERP successfully in UAE entitles and expanded its service centre in Jeddah (Saudi Arabia) from 1500 sq. ft. to 7500 sq. ft.

A wholly-owned subsidiary M/s. Redington International Mauritius Limited (RIML), Mauritius was incorporated and in turn RIML acquired entire stake in M/s. Redington International (Holdings) Limited, Cayman Islands.

For meeting its fund requirements, your company's overseas step down subsidiary, Redington International Holdings Limited could attract the Private Equity Investment up to US$ 65 Million by M/s. Investcorp Gulf Opportunity Fund Company I.B.S.C., a leading private equity investor.

As part of meeting its growth objectives, your Company's step down subsidiary, Redington Gulf FZE, Dubai, incorporated five new subsidiaries in various markets, viz. M/s. Redington Limited, Ghana, M/s. Redington Kenya EPZ Limited, Kenya, M/s. Africa Joint Technical Services, Libya, M/s. Redington Uganda Limited, Uganda and M/s. RGF Private Trust Company Limited, Cayman Islands. Of these, Redington Kenya EPZ Limited has commenced operations.

To make the employees participate in the growth of the Company, M/s. Redington International (Holdings) Limited issued 59,035 shares to the employees of your Company and its subsidiaries under an Employee Share Purchase Scheme 2009.

The performance of the subsidiaries is discussed more in other parts of this Annual Report as well as in the individual annual report of each subsidiary company.

The Ministry of Company Affairs, Government of India has granted exemption from annexing the accounts of subsidiary companies with the accounts of your Company in view of publishing of consolidated accounts besides standalone accounts.

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.

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 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

Place : Chennai
Date : May 22,2009

J. Ramachandran
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.

Senior Management Team - MEA

Mr. Vineeth Sebastian
Vice President - ME Operations

Mr. Vineeth Sebastian is a graduate in electrical engineering and has over 16 years of IT industry experience in India and in the Middle East. He has been associated with Redington Gulf for over 7 years in various capacities and currently heads the HP PC and Peripherals business units for the Middle East as its Vice President.

Mr. Ashish Bharti
Vice President - ME Operations

Mr. Ashish Bharti is a postgraduate in business administration and has over 13 years of experience, largely in the distribution industry with both IT vendors and distribution companies. He has been associated with Redington Gulf for over 6 years and currently heads the PC and Components business unit for the Middle East as its Vice President.

Mr. S. Sethuraman
Vice President - Services MEA

Mr. Sethuraman S is a graduate in electrical engineering and has a total work experience of over 20 years in the support services business. During his association with Redington over the last 15 years, he has been instrumental in conceptualising and building the support services business in the Middle East and Africa, and currently heads this Business Unit as its Vice President.

Mr. Sriram Ganeshan
Chief Financial Officer - ME & Africa

Mr. Sriram Ganeshan is a chartered accountant from The Institute of Chartered Accountants of India with over 12 years of experience including 3 years with the Assurance Services division of one of the big 4 audit firms. He has been associated with Redington Gulf for over 9 years and currently as the Chief Financial Officer, he is responsible for the finance and IT functions for the Middle East and Africa operations of Redington.

Annexure - A (II)

A. Disclosure as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

Sl. No.	Particulars	ESOP Scheme
1.	Number of options granted	2,623,116 (includes 287,143 lapsed option granted subsequently)
2	The Pricing Formula	Market price or such price as decided by the Board.
3	Number of options vested	987,290
4	Number of options exercised	-
5	Total number of shares arising as a result of exercise of options	-
6	Number of options lapsed	361,393
7	Variation in the terms of options	Options granted on 29th February 2008 and outstanding as on 31st December 2008(excluding those options granted to the directors) were repriced from Rs.348.05 to Rs.130/- pursuant to the resolutions passed on 27th February 2008 and 28th January 2009 by the shareholders and Board of Directors respectively.
8	Money realised by execise of options	-
9	Total Number of Options in force	2,261,723

B. Employee-wise details of options granted to:

	Name	No. of options granted
Directors:	Prof. J. Ramachandran	25,000
	Mr. R. Vijayaraghavan	25,000
	Mr. Steven A Pinto	25,000
	Mr. William Adamopoulos	25,000
	Mr. R. Srinivasan	1,00,000
	Mr. Raj Shankar	1,00,000
	Mr. M. Raghunandan	76,143
Senior Management:	Mr. P.S. Neogi	20,000
	Mr. E.H. Kasturi Rangan	20,000
	Mr. S. Venkateswara Rao	15,000
	Mr. S.V. Krishnan	20,000
	Mr. Clynton Gerard Almeida	20,000
	Mr. Ramesh Natarajan	20,000
	Mr. J.K. Senapati	20,000
	Mr. Dinesan K. Gangadhar	20,000
	Mr. P.M. Sethumadhavan	20,000
	Mr. Anand C.	20,000
	Mr. R. Sasikanth	20,000
	Mr. Rajesh Khetarpal	20,000
	Mr. Gautam Hukku	20,000

(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Nil	
(iii) Identified employees who were granted option, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	
Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	10.34	
The impact on the profits and EPS of the fair value method is given in the table below:		
		(Rs. in Crores)
	Profit as reported	80.69
	Add : Intrinsic Value Cost	-
	Less: Fair Value Cost	25.69
	Profit as adjusted	55.00
	Earning per share (Basic) as reported Earning per share (Basic) adjusted	10.36 7.06
	Earning per share (Diluted) as reported Earning per share (Diluted) adjusted	10.36 7.06
Weighted average exercise prices of options whose	a. Exercise price equals market price	347.92
	b. Exercise price is greater than market price	130.00
	c. Exercise price is less than market price	Nil
Weighted average fair value of of options whose	a. Exercise price equals market price	171.27
	b. Exercise price is greater than market price	47.46
	c. Exercise price is less than market price	Nil

Method and Assumptions used to estimate the fair value of options granted during the year:

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

The Assumptions used in the model are as follows:

Date of grant	29-Feb-08	25-Jul-08	28-Jan-09
1. Risk Free Interest Rate	7.25%	8.95%	5.70%
2. Expected Life	4.25	4.25	4.25
3. Expected Volatility	61%	58%	59%
4. Dividend Yield	1.74%	1.46%	1.46%
5. Price of the underlying share in market at the time of the option grant (Rs.)	348.05	319.90	110.00

The variables used for calculating the Fair Values and their rationale is as follows:

A. Stock Price:

The stock price of the Company is the closing price of the Company's equity share on the NSE on the day prior to the date of grant.

Under the ESOP Scheme of the Company one option entitles an employee to one equity share of the Company.

B. Volatility:

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements. It is also important that movements due to abnormal events get evened out.

There is no research that demonstrates conclusively how long the historical period used to estimate expected long-term future volatility should be.

The entity's stocks have been publicly traded from February 15, 2007 on NSE & BSE. This does not provide adequate historical data for the calculation of historical volatility. However, the Guidance note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India states that if a newly listed enterprise does not have sufficient information on historical volatility, it should nevertheless compute historical volatility for the longest period for which trading activity is available. Accordingly, we have considered the volatility from February 15, 2007 to the date of grant on NSE for the fair value computation.

The Fair value of an option is very sensitive to this variable. Higher the volatility, higher is the Fair value. The rationale being, the more volatile a stock is, the more is its potential to go up (or come down), and the more is the probability to gain from the movement in the price. Accordingly, an option to buy a highly volatile stock is more valuable than the one to buy a less volatile stock, for the probability of gaining is lesser in the latter case.

C. Risk free interest rate :

The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

D. Exercise Price:

We have considered the exercise price as per the information provided by the Company.

E. Time to Maturity/Expected Life of options:

Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

According to SEBI Guidelines, the expected life of an award of stock options shall take into account the following factors -

i. The expected life must at least include the vesting period.

ii. The average lengths of time of similar grants have remained outstanding in the past. If the company does not have a sufficiently long history of stock option grants, the experience of an appropriately comparable peer group may be taken into consideration.

iii. The expected life of stock options should not be less than half of the exercise period of the stock options issued until and unless the same is supported by historical evidences with respect to stock options issued by the company earlier.

The fair value of each award has been determined based on different expected lives of the options that vest each year, as if the award were several separate awards, each with a different vesting date. A weighted average of 3 vests has been calculated to arrive at the value of the options granted.

Wholesome consumer delight in non-IT space

- Apple iPods & Macs
- BlackBerry smartphones
- Microsoft XBox 360 Gaming
- LG Consumer Electronics
- Whirlpool Home Appliances

The time to maturity has been estimated as illustrated by the following example. In case of the grant made on February 29, 2008, the earliest date of exercise is one year from the date of grant that is February 28, 2009. Hence, the minimum life of the option is 1 year. The exercise period is five years from the date of vest as per the ESOP scheme; hence the maximum life is 6 years (1 year of vesting period + 5 years of exercise period). The expected life is the average of minimum and maximum life, i.e. 3.5 years [(1 + 6)/2]. The time to maturity for the remaining vests has been calculated in a similar manner.

F. Expected Dividend yield:

Expected dividend yield has been calculated as an average of dividend yields for the preceding 2 years to the year of grant.

The dividend yield for each year has been derived by dividing the dividend per share for that year by the market price per share of the respective period as depicted in the table below -

Year	2007-08	2006-07
Face Value Per Share (Rs.)	10	10
Equity Dividend(%)	35%	25%
Dividend per share (Rs.)	3.50	2.50
Average Market Price per share (Rs.)	296.06	143.69
Dividend Yield	1.18%	1.74%
Average Dividend Yield	1.46%	

Compliance Certificate in respect of ESOP Scheme

1. We have perused the Employee Stock Option Scheme 2008 of Redington (India) Limited (the Company) along with the relevant resolutions passed in this respect in the shareholders' meetings, meetings of the Board of Directors and Compensation Committee, other relevant records/documents and the books of account of the Company for the year ended 31st March, 2009.

2. On the basis of the aforesaid perusal and according to the information and explanations given to us, we state that the said Scheme has been implemented in accordance with the resolutions of the Company passed at the Extra-Ordinary General Meeting held on February 27, 2008 and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "Guidelines") as amended till 31st March, 2009.

For Deloitte Haskins & Sells
Chartered Accountants

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 22, 2009

REPORT ON CORPORATE GOVERNANCE

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

Redington's philosophy on Corporate Governance enshrines the goal of achieving maximization of shareholders' value on a sustainable basis, while ensuring fairness to every stakeholder, customers, employees, investors, vendor-partners, the governments of the countries in which it operate, and the community. In pursuit of this objective, the policies of the Company are carved out in such a way that the rights and responsibilities of different constituents are defined to enhance long-term shareholders' value.

2. BOARD OF DIRECTORS :

The Board of Directors has an optimal combination of managing/whole-time, non-executive and independent directors. The Board comprises of ten directors and the Chairman of the Board is an independent director.

During the financial year, the Board of Directors of the Company met seven times on the following dates: May 16, 2008, June, 03, 2008, July 01, 2008, July 25, 2008, July 26, 2008, October 24, 2008, and January 28, 2009.

Table I: Composition of the Board of Directors

Name	Category	@Directorship in other 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	7	3	3	7	Yes
Mr. R. Jayachandran	Non-executive Director	1	Nil	Nil	5	No
Mr. Huang Chi Cheng	Non-executive Director	Nil	Nil	Nil	4	Yes
@@ Mr. Hu, Jia Lung	Non-executive Director	Nil	Nil	Nil	Nil	No
* Mr. Tu, Shu-Chyuan	Non-executive Director	Nil	Nil	Nil	1	NA
**Mr. R. Vijayaraghavan	Independent Director	10	5	3	1	NA
Mr. Steven A Pinto	Independent Director	Nil	Nil	Nil	3	No
Mr. William Adamopoulos	Independent Director	Nil	Nil	Nil	4	No
# Mr. N. Srinivasan	Independent Director	14	5	4	2	NA
Mr. R. Srinivasan	Managing Director	1	1	Nil	7	Yes
Mr. Raj Shankar	Deputy Managing Director	1	1	Nil	6	Yes
Mr. M. Raghunandan	Whole-time Director	2	Nil	Nil	7	Yes
## Mr. Lin Ching Yao	Alternate Director to Mr. Hu, Jia Lung	Nil	Nil	Nil	3	Yes

@ Private Companies, foreign companies and companies under Section 25 of the Companies Act, 1956 are excluded in computing the Directorships. Only Audit Committee and Investors and Shareholder's Grievance Committee are considered for the purpose of Committee positions as per listing agreement.

@@ Mr. Lin Ching Yao was appointed as the alternate Director to Mr. Hu, Jia Lung. Mr. Lin Ching Yao had attended the Board Meetings and General Meetings during the year 2008. Mr. Hu, Jia Lung resigned from the Board w.e.f October 24, 2008.

* Appointed as Additional Director w.e.f October 24, 2008.

** Resigned w.e.f May 31, 2008.

Appointed as an Additional Director of the Company w.e.f July 26, 2008. Mr. N. Srinivasan is an Independent Director.

Mr. Lin Ching Yao, ceased to be alternate director to Mr. Hu, Jia Lung with effect from October 24, 2008.

The Board has complete access to any information within the Company. To have more transparency, the Board has been regularly updated at its meetings with the significant events and other important developments/changes related to the business of the Company. 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. Re-appointment of the Whole-time Director of the Company.
5. Appointment of the Additional Directors of the Company.
6. Incorporation of new subsidiaries and investments thereof.
7. Repricing of the options granted under the Employee Stock Option Plan 2008.
8. Reconstitution of the Committees of the Board.
9. Minutes of meetings of audit committee and other committees of the Board.
10. Quarterly details of forward contracts taken to cover foreign exchange risks.
11. Updation on the operations of the subsidiaries.
12. Restructuring the Overseas subsidiaries formed for Middle East and Africa (MEA) operations.
13. Payment of commission to non-executive directors.
14. Updation on the utilization of IPO proceeds.
15. Alteration of Memorandum and Articles of Association of the Company.
16. Grant of lapsed options under ESOP 2008.

3. AUDIT COMMITTEE :

Subsequent to the resignation of Mr. R.Vijayaraghavan, the Audit committee was reconstituted on July 26, 2008. The reconstituted committee comprises of Mr. N. Srinivasan, Prof. J. Ramachandran, Mr. Steven Pinto, non-executive Independent Directors and Mr. Raj Shankar, the Deputy Managing Director of the Company. Mr. R. Srinivasan is an Ex-officio member. Mr. N. Srinivasan is the Chairman of the Committee and Mr. M. Muthukumarasamy, Company Secretary acts as the Secretary to the Audit Committee.

The Committee met four times during the financial year under review on May 16, 2008, July 25, 2008, October 24, 2008 and January 28, 2009.

Table II: Attendance record of Audit Committee Meetings

Name	Meetings attended
Mr. R. Vijayaraghavan *	1
Mr. N. Srinivasan	2
Prof. J. Ramachandran	4
Mr. Steven Pinto	2
Mr. Raj Shankar	4

* Mr. R. Vijayaraghavan resigned with effect from May 31, 2008.

The terms of reference of the 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 and financial results and the 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 and listing requirements;

The Committee regularly 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 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 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 and Prof. Ramachandran is the Chairman.

During the year under review, the Committee met four times on the following dates: May 16, 2008, July 25, 2008, October 24, 2008 and January 28, 2009.

During the meetings, the Committee was updated on the redressal of complaints from investors relating to non-receipt of dividends, non-receipt of 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.

In Focus

Redington Undertakes Retail Distribution for BlackBerry

– Business Standard/Internet releases

Smartphone maker Research In Motion (RIM) announced a collaboration with Redington India to establish national retail distribution channels for the BlackBerry handsets. RIM expects this strategic business initiative will help it tap the fast-growing mobile communications market in India, more effectively.

As part of the retail distribution agreement with Redington India, BlackBerry smartphones and service plans from supported carriers will initially be available in retail and modern trade outlets across nine cities. This includes Mumbai, Delhi, NCR, Hyderabad, Chennai, Bengaluru, Kolkata, Pune and Ahmedabad. Redington intends to expand the retail footprint in a phased manner and will offer a wide range of BlackBerry smartphones beginning with the BlackBerry Pearl & BlackBerry Curve series and the BlackBerry Bold smartphone.

"This is an exciting phase of growth for RIM and its partners in India and we are delighted to be working with Redington. This collaboration with Redington, together with our strong carrier partnerships and industry leading products and services will further strengthen our market position and presence in India," RIM Vice President (India) Frenny Bawa said in a release.

Investcorp to invest $98mn in Redington

– Economic Times, 14-10-08

Investcorp plans to invest $98mn in Dubai-based Redington Gulf - a leading distributor and service provider of IT and telecom products in the Middle East and Africa. The investment will be made through Investcorp's $1.1 bn Gulf Opportunity Fund I. Redington Gulf is a subsidiary of Redington India Limited, the global IT distributor listed in India and operating in India, South Asia, the Middle East and Africa.

Redington-Cisco deal extended to East Africa

– Internet Release, 29-09-08

Redington Gulf has confirmed that it now has the rights to distribute Cisco equipment in another nine African countries following an extension of its existing contract.

The distribution giant has been carrying Cisco in a number of west African countries for the last two years, but the new agreement permits it to serve the eastern side of the continent as well. This includes markets such as Kenya, Uganda, Tanzania, Somalia, Ethopia, Eritrea, Djibouti, Burundi and Rwanda.

Redington Ranks No.1 in the 2009 Power List

– The Channel Middle East magazine

#	Distributor	2008	2007	Headcount	Active accounts
1	**Redington Gulf FZE**	**$1bn**	**$795m**	**355**	**2185**
2	Metra Computer Group FZCO	$465m	$340m	850	2700
3	Almasa IT Distribution FZCO	$433m	$420m	200	1000
4	Emitac Distribution LLC	$401m	$330m	210	1000
5	Jumbo IT Distribution	$324m	$250m	70	350

Socomec UPS ties up with Redington

– OneIndia News, 11-10-08

City-based Socomec UPS India Pvt. Ltd, the wholly-owned subsidiary of French UPS major and global leader in UPS technology, has fostered a strategic tie-up with Redington India Pvt. Ltd, a premier end-to-end Supply Chain Management (SCM) solutions provider. In keeping with this bilateral corporate initiative, Redington would play liaison between Socomec and its channel partners for Socomec's 8-60 KVA, 3-phase UPS systems throughout India.

Vendor Deepens Market Share

– Internet Release

LG Electronics, with a plan of strengthening its PC business in India, has tied up for all its notebooks with Redington. The tie-up with this national distributor is the result of the increasing demand for LG notebooks after the company's announcement of stage-wise process of strengthening its PC business early this year. The company introduced benchmark products, exciting promotions for consumers, strengthened its channel base and increased its marketing initiatives.

Luminous joins hands with Redington

– The Hindu Business Line, 08-07-08

Power technology provider, Luminous, on Monday said it has entered into a partnership with Redington for sales and distribution of its inverters, UPS and other products. Luminous power technologies have entered into a strategic tie-up with IT product distributor Redington to sell and promote its interactive UPS through the latter's distribution system, a company release said.

"The association with Redington is like coming together of two like-minded companies with the objective of leveraging each other's strength and we foresee a huge opportunity for the Luminous brand UPS," said Mr. Sunil Bhalla, Director, Luminous Power Technologies.

Partners for Sun Microsystems

– Internet Release

Sun Microsystems, a leading developer of products and services that power the network economy drives network participation through shared innovation, community development and open source leadership. At present, they are in the process of expansion and are on the lookout for partners in different categories. The first category is for volume products. These products are entry-level servers based on Intel or AMD processors. Redington is the national distributor for these products and through Redington they are planning to appoint new resellers.

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, 26 complaints were received from the investors which were all resolved and there were no complaints from the investors pending as at March 31, 2009.

5. REMUNERATION COMMITTEE :

The Remuneration Committee comprises of Mr. Steven A. Pinto, Mr. R. Srinivasan, Mr. N. Srinivasan and Mr. M. Raghunandan as its members. Mr. Steven A. Pinto is the Chairman of the committee. Mr. N. Srinivasan was co-opted as member with effect from July 26, 2008. The Remuneration Committee met twice during the year on May 16, 2008 and January 28, 2009.

Table IV: Attendance record of Remuneration Committee

Name	Meetings attended
Mr. Steven A. Pinto	2
Mr. R. Srinivasan	2
Mr. M. Raghunandan	2
Mr. N. Srinivasan	1

The Remuneration Committee, inter alia, determines the remuneration payable to the Directors, including grant of stock options.

Remuneration to Directors:

- The payments made to the whole-time director have been reviewed by the Remuneration Committee from time to time and confirmed by the Board of Directors.
- Independent Directors are paid sitting fees for attending the meetings of Board and Committee.
- 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 lower limit as may be determined by the Board from time to time.
- Under the Employee Stock Option Plan 2008, the Board of Directors upon the recommendation of Remuneration Committee granted stock options to the executive and Independent directors of the Company, the particulars of which are given in Table V. The first vesting of options started on February 28, 2009 for the grant made on February 29, 2008. Exercise of options is permitted up to a period of five years from the date of vesting.
- During the financial year ended 2008-09, the Board had approved re-pricing of the options granted under ESOP 2008, except those granted to the Non-Executive Independent Directors.
- 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 the Directors for the period from April 01, 2008 to March 31, 2009

Name of Director	Salary & Perquisites (Rs. /Lacs)	Commission (Rs./Lacs)	Performance Linked Bonus (Rs./Lacs)	Sitting Fees (Rs./Lacs)	Options granted
Prof. J. Ramachandran	-	7.85	-	2.85	25,000
Mr. R. Jayachandran	-	-	-	-	-
Mr. Huang Chi Cheng	-	-	-	-	-
Mr. Hu, Jia Lung	-	-	-	-	-
Mr. Tu, Shu-chyuan	-	-	-	-	-
Mr. R. Vijayaraghavan	-	8.35	-	0.35	-
Mr. Steven A Pinto	-	9.40	-	1.15	25,000
Mr. William Adamopulos	-	10.10	-	0.60	25,000
Mr. N. Srinivasan	-	-	-	0.85	-
Mr. R. Srinivasan	-	-	-	-	1,00,000
Mr. Raj Shankar	-	-	-	-	1,00,000
Mr. M. Raghunandan	23.28	-	19.80	-	76,143
Total	**23.28**	**35.70**	**19.80**	**5.80**	**3,51,143**

- Provision for commission to non-executive directors of Rs.44.55 lakhs for the year ended 31st March 2009 has been made in the annual accounts.
- The Company's overseas step down subsidiary Redington International (Holdings) Limited, Cayman Islands allotted 21,000 shares at US$ 47.84 per share, to the Executive Directors of the Company under its Employee Share Purchase Scheme, 2009.

Table VI: Shareholding of Directors in the Company as on March 31, 2009

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

The Compensation Committee constituted for administering the Employees Stock Option Plan, 2008 (ESOP, 2008) has been reconstituted and now comprises of Prof. J. Ramachandran, Mr. N. Srinivasan and Mr. M. Raghunandan.

The Committee met on July 25, 2008 and January 28, 2009 to grant lapsed options to the directors and employees of the Company.

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 affirmation from all the members of the Board and Senior Management that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2008-09.

R. Srinivasan
Managing Director

8. GENERAL BODY MEETINGS:

Location and time of last 3 Annual General Meetings:

Year	Location	Date	Day	Time
2007-2008	Narada Gana Sabha, Mini Hall, New No.314 (Old No.254), T.T.K. Road, Chennai - 600 018	July 26, 2008	Saturday	11.00 A.M
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.

During the year, the following resolutions have been passed through postal ballot:-

(a) Change in object clause of the Memorandum of Association under Section 17 of the Companies Act, 1956.

(b) Alteration of Articles of Association of the Company under Section 31 of the Companies Act, 1956.

No Extra-ordinary General Meetings were convened during the last financial year.

Special resolutions passed in the previous three Annual General Meetings:

Year	Special resolutions passed
2007-2008	Approval for varying cost estimates as contained in the 'Object of the Issue' clause of the 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 land, construction cost and expenditure incurred/to be incurred for procurement of warehouse management software, material handling equipments from internal accruals and temporary borrowings.
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 the 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.

9. SUBSIDIARY COMPANIES:

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

10. DISCLOSURES :

RELATED PARTY TRANSACTIONS:

There were no material related party transactions during the year 2008-2009 that are prejudicial to the interest of the Company.

RISK MANAGEMENT

The company has emphasized the need and has brought in a dynamic risk management framework and processes, covering all relevant areas of organisation.

The Board of Directors had been updated regularly about the risk assessment and minimization procedures.

The Company also has adequate internal control systems in place. 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 in accordance with the approval of the members for investing the unutilized IPO funds in high quality interest/dividend bearing liquid instruments including deposits with banks, money market mutual funds and for managing the Company's 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 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.

APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

Mr. Huang Chi Cheng and Mr. Steven A Pinto, 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. N. Srinivasan and Mr. Tu, Shu-Chyuan as the additional Directors of the Company at their meetings held on July 26, 2008 and October 24, 2008 respectively. Notices have been received from the members of the Company proposing their appointment as the Directors liable to retire by rotation.

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

Table VII: Details of the Directors

Name of the Director	**Mr. Huang Chi Cheng**
Brief resume of the Director	Mr. Huang Chi Cheng, a management graduate from the National Chung Hsing University, Taipei, Taiwan, has an overall work experience of 26 years and has been associated with organisations such as Tait & Company Limited, Taiwan and Seaward Woolen Textile Corporation Limited, Taipei, Taiwan. He has been working with Synnex Technology International Corporation for over 16 years and is presently its Associate Vice President. Prior to joining Synnex Technology International Corporation, Mr. Huang was an Accounting Manager for the consumer products division of Tait & Company Limited.
Expertise in Specific Functional Area	Accounting and Business Strategy
Directorship in Indian Public Limited Companies other than Redington (India) Limited	NIL
Membership of Committees in Public Limited Companies	
1. Audit Committee	NIL
2. Shareholders/ Investors Grievance Committee	NIL
Name of the Director	**Mr. Steven A Pinto**
Brief resume of the Director	Mr. Steven A. Pinto is an experienced and respected International banker, having done key senior assignments with Citibank in India, Korea, the Gulf, and Singapore / Asia-Pacific region. He has also been CEO of the Commercial Bank of Oman, later of Mashreqbanks Consumer Finance and Retail Banking businesses, and of Abu Dhabi Commercial Banks India operations. Beyond banking, he has significant experience in the lighting and consumer electronics fields, having worked with Philips India for 17 years in all the major locations in the country. He is a graduate in Economics and has a Masters in Business from the Bajaj Institute, Bombay University.
Expertise in Specific Functional Area	Finance and Business Strategy
Directorship in Indian Public limited Companies other than Redington (India) Limited	NIL
Membership of Committees in Indian Public Limited Companies	
1. Audit Committee	NIL
2. Shareholders/ Investors Grievance Committee	NIL

Better Connections

Service Business - HLRC

- Component level repair facilities at Chennai, Mumbai and Delhi
- Class 100/1,000/10,000 - clean room and work areas
- Equipped with BGA re-work stations, RF testers, spectrum analysers and other repair and testing equipments
- On-line call management system with interface to SVCs and vendors

Name of the Director	Mr. N. Srinivasan
Brief resume of the Director	Mr. N. Srinivasan is a commerce graduate and a Chartered Accountant since 1955. He was the senior partner of well known auditing firms Fraser & Ross and Deloitte Haskins & Sells until 1997. Mr. Srinivasan has been closely associated with development of the profession of accounting and auditing in India as a Central Council Member of The Institute of Chartered Accountants of India. He was head of various prestigious bodies in India and abroad, like Deputy President of The Associated Chamber of Commerce & Industry of India, Director on the Board of The Institute of Internal Auditors Inc., Florida, USA and Senate Member of The Annamalai University. He holds Directorship in many Public and Listed companies in India.
Expertise in Specific Functional Area	Corporate Finance and Audit.
Directorship in Indian Public limited Companies other than Redington (India) Limited	1. India Cements Capital Limited 2. Tractors & Farm Equipment Limited 3. United Breweries (Holdings) Limited 4. GATI Limited 5. Essar Shipping Limited 6. The Andhra Pradesh Paper Mills Limited 7. Mcdowell Holdings Limited 8. UB Engineering Limited 9. Amco Batteries Limited 10. Tafe Motors and Tractors Limited 11. The United Nilgiri Tea Estates Company Limited 12. Ador Fontech Limited 13. Best & Crompton Engg. Limited 14. India Cements Limited
Membership of Committees in Indian Public Limited Companies	
1. Audit Committee	1. United Breweries (Holdings) Limited 2. GATI Limited 3. Tractors & Farm Equipment Limited 4. Tafe Motors and Tractors Limited 5. India Cements Capital Limited 6. Amco Batteries Limited 7. Essar Shipping Limited 8. India Cements Limited 9. Mcdowell Holdings Limited
2. Shareholders/ Investors Grievance Committee	NIL
Name of the Director	**Mr. Tu, Shu-Chyuan**
Brief resume of the Director	Mr. Tu, Shu-Chyuan, is an engineering graduate from the National Chiao Tung University, Taiwan, and has a Master's degree in Computer Engineering from San Jose State University, USA. He has overall 25 years of working experience in global IT industry. He joined Synnex in 1994 and held a series of management positions. He is currently the GM of business development of Synnex. Prior to joining Synnex, he worked for various computer networking companies in the State and had focused expertise in planning and management.

Expertise in Specific Functional Area	Business Strategy
Directorship in Indian Public limited Companies other than Redington (India) Limited	NIL
Membership of Committees in Indian Public Limited Companies	
1. Audit Committee	NIL
2. Shareholders/ Investors Grievance Committee	NIL

11. COMPLIANCE WITH THE NON-MANDATORY REQUIREMENTS

The Company has the following non-mandatory committee:-

Remuneration Committee

The Company has set up Remuneration Committee and the detailed particulars are furnished in Para 5.

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 : Friday, July 24, 2009

Time : 2.00 P.M.

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

b) Financial Calendar (Tentative Calendar for the financial year 2009 - 2010).

Adoption of Results for the quarter ending 30th June 2009	:	July 24, 2009
Adoption of Results for the quarter and half year ending 30th September 2009	:	October 30, 2009
Adoption of Results the quarter and for 9 months ending 31st December 2009	:	January 29, 2010
Adoption of Results for the year ending 31st March 2010	:	On or before May 31, 2010

c) Book Closure : From Monday, July 20, 2009 To Friday, July 24, 2009

d) Dividend payment date : Before August 23, 2009

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 2009 to March 2010 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, Mumbai	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 Registrar and Share Transfer Agents for 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 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 0390 (5 Lines);
Fax No: +91 44 2846 0129.
Email : investor@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:

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. The Share Transfer 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 Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital for each of the quarter in the financial year ended March 31, 2009 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.

Automated Distribution Centre

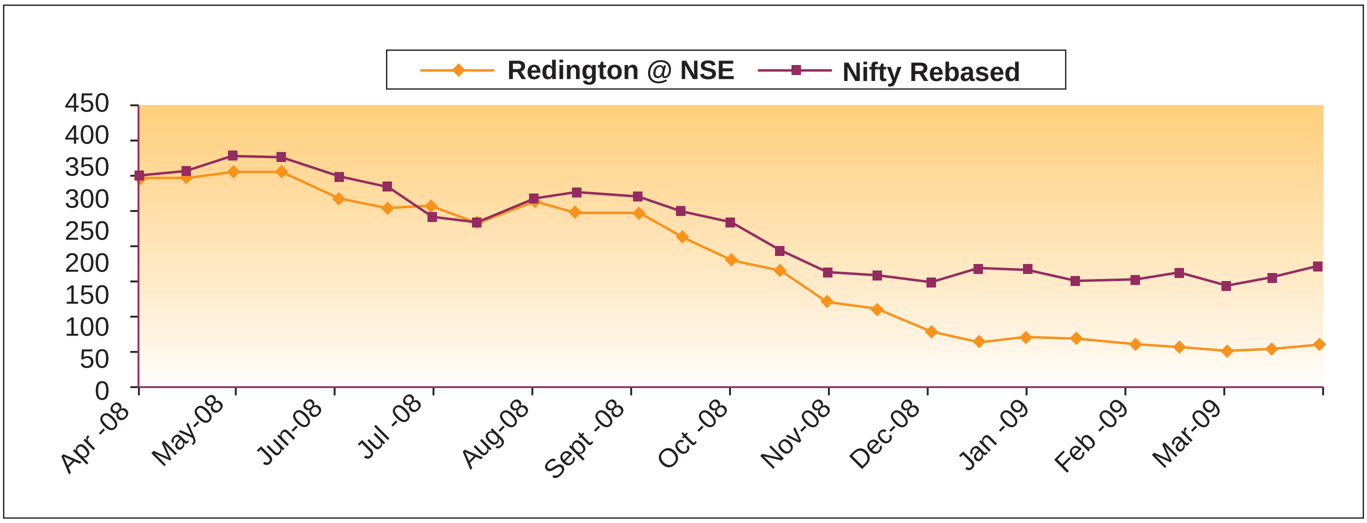
Automated Distribution Centre, at Chennai - Getting ready.

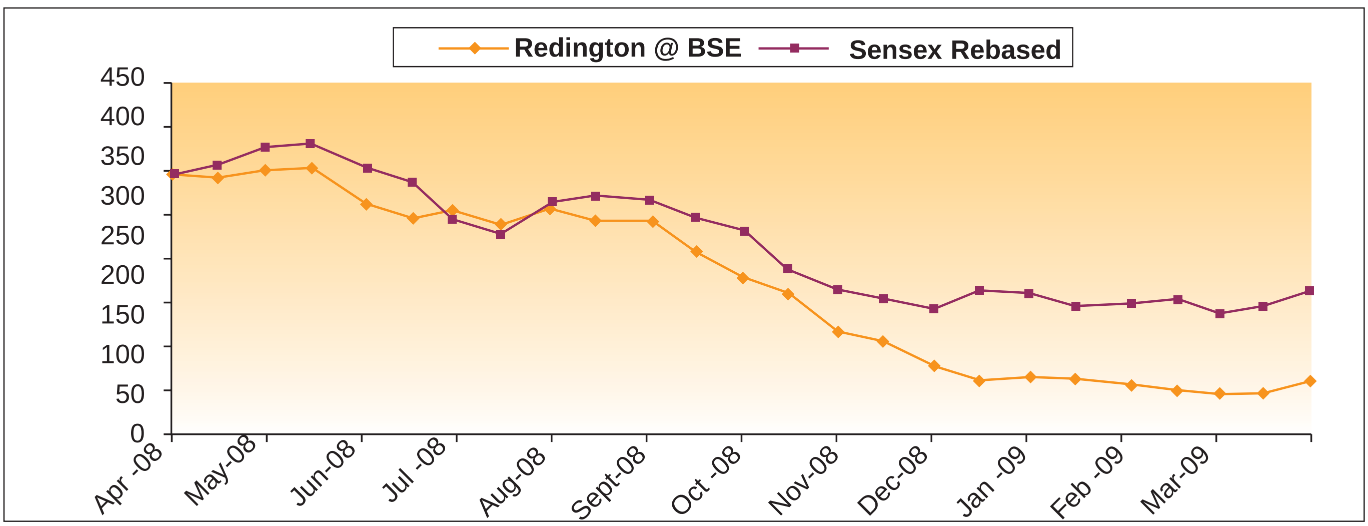
An inside view - VNA equipment and MHE under test.

j) Market price data (Rs.)

BSE				
S. No	Month	High	Low	Close
1	Apr-08	351.65	330.45	350.05
2	May-08	370.85	323.00	323.00
3	Jun-08	320.60	296.90	307.20
4	Jul-08	319.95	278.85	309.95
5	Aug-08	312.35	286.10	287.05
6	Sep-08	294.35	220.10	230.25
7	Oct-08	232.50	161.65	167.15
8	Nov-08	179.75	123.65	123.65
9	Dec-08	126.50	101.55	116.45
10	Jan-09	130.20	101.30	115.40
11	Feb-09	110.75	87.25	95.60
12	Mar-09	110.55	95.80	109.10

NSE				
S. No	Month	High	Low	Close
1	Apr-08	354.70	328.65	350.20
2	May-08	374.35	322.80	322.80
3	Jun-08	322.50	293.15	306.75
4	Jul-08	319.90	277.40	309.25
5	Aug-08	312.60	286.95	288.70
6	Sep-08	294.90	220.05	230.30
7	Oct-08	236.40	161.95	170.10
8	Nov-08	189.25	125.15	127.95
9	Dec-08	128.40	102.60	117.40
10	Jan-09	129.45	101.35	116.20
11	Feb-09	110.50	87.40	93.20
12	Mar-09	110.40	96.15	109.50





k) Distribution of Shareholding as on March 31, 2009.

Share Holding	No. of Shareholders	% of total Shareholders	No. of Shares	% of total
1-500	12433	94.78	8,61,291	1.12
501-1000	301	2.29	2,39,409	0.31
1001-2000	167	1.27	2,44,032	0.31
2001-3000	65	0.50	1,63,792	0.21
3001-4000	33	0.25	1,15,599	0.15
4001-5000	32	0.24	1,50,529	0.19
5001-10000	42	0.32	3,00,164	0.38
10001 & Above	44	0.35	7,57,90,930	97.33
Total	**13,117**	**100.00**	**7,78,65,746**	**100.00**

l) Statement showing Shareholding Pattern as on March 31, 2009.

Category	No. of holders	No. of shares	% of shareholding
Promoter Holding			
Foreign Bodies Corporate	1	3,39,01,595	43.54
Total of Promoter Holding	1	3,39,01,595	43.54
Non Promoter Holding			
Mutual Funds/UTI	1	55,000	0.07
Financial Institutions/ Banks	0	0	0.00
Foreign Institutional Investors	18	1,13,77,242	14.61
Non Institutions			
Bodies corporate	289	21,43,974	2.75
Indian Public	12,495	17,63,159	2.26
NRI's/OCB's /Foreign Nationals	274	2,81,99,224	36.22
Others	39	4,25,552	0.55
Total of Non promoter Holding	13,116	4,39,64,151	56.46
Grand total	13,117	7,78,65,746	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, 2009, 70.97% 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.

n) ECS Mandate:

In order to enable us to serve our investors better, we request shareholders to update their bank accounts with their respective depository participants.

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

p) Infrastructure

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

Particulars	India	Overseas operations (through its subsidiary companies)
Sales Offices	43	15
Warehouses	60	17
Service Centres	49	18

q) 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

r) Company Website.

The Company has its 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, 2009 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 22, 2009	Managing Director	Chief Financial Officer

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Redington (India) Limited

We have examined the compliance of conditions by corporate governance of Redington (India) Limited, for the year ended March 31, 2009, 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 was 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, 2009 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

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 22, 2009

Strong Partnerships

An empowered, business-friendly eco-system, focussed on building a strong foundation of partnerships which breed new strategies, opportunities, processes, fostering and harnessing growth.


REDINGTON
Carrefour
Carrefour
Carrefour
CISCO
CMC Limited
CommScope
Computer Associates
COMPU ME
croma
Cyberoam
Sharaf DIGITAL
HCL
HITACHI
hp invent
IBM
i-mate
imation
intel
Jacky's
Kingston
Kodak
lenovo
LINKSYS
Quantum
RadioShack
SAMSUNG
SanDisk
Seagate
socomec
SOFTCELL Technologies
SONICWALL
TVS ELECTRONICS
Tyco Electronics
ViewSonic
WD Western Digital
WIPRO
wistron
Yusuf A. Alghanim & Sons w.l.l.
xerox

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

Step back from today's economic maelstrom and you can see the Asia-Pacific that will continue to emerge as a giant in the decades ahead. Trade flows, however much they dip right now, will soon enough be surging if we can avoid protectionism and war.

Tim Ferguson, Editor, Forbes Asia.

The global economic meltdown has caused considerable concern to various industries at different levels. As expected, the Indian economy also received a setback from its falling exports, rising imports, depreciation of the Rupee against the Dollar, higher rate of interest charges, higher input prices, falling demand, and higher rate of speculative economic activity.

These factors make the current financial year a challenging one both for the national economy as well as for the corporate sector. However, the Global Information Technology Report 2008-09, a recent publication of the World Economic Forum, ranked India at the 50th place. Covering 134 countries, the Report states that India is at an advantageous position not only from its market size (ranked 4th in domestic market size and 5th for foreign market size) but also from a standpoint of its strong business sophistication (ranked 27th) and innovation (ranked 32nd). It has the backing of mutually beneficial business clusters and many local suppliers. This helps your Company sustain through a turbulent global condition with minimum impact to growth plans.

The Report also points out that many countries in the Middle East and North Africa are in the upper half of the ranking, led by Israel, Qatar, Saudi Arabia, United Arab Emirates, Kuwait and Tunisia, with particular improvements noted in the Gulf States.

Since your Company operates not only in India but also in these countries, we have the required impetus and support of industries that have survived the economic crisis and will continue to back our plans for development.

Another report suggests that India, one of the Top 5 growth markets in the APAC region, will continue to lead the pack with 11.4% growth in domestic IT spending projected for 2009.

These factors, together with various other considerations, have helped us withstand the turbulent financial environment with a favourable performance this year. We have been able to maintain our existing position in the market, while also seizing new opportunities that will be fruitful to the Company's future development.

There are, however, some challenges looming ahead in the coming year. The Manufacturers' Association for Information Technology (MAIT), for instance, expects the current macro-economic conditions and conservative buying sentiments to have an adverse impact on the sale of personal computers.

We are prepared to tackle challenge like these with a skilled and intelligent action plan that will reach out to a large clientele across the country.

Though we have been mindful of the constraints posed by global challenges, it has not kept us from exploring new avenues for growth and achievement. With an existing line of IT and non-IT business verticals, the Company has been forging ahead in the market arena with the confidence to see through forthcoming plans of expansion and growth.

INDUSTRY STRUCTURE & NATURE OF BUSINESS

Structure

The distribution industry functions on a healthy relationship between network partners. It includes value-added resellers, system integrators, sub distributors and retailers. The current industry insight is most encouraging with distributors and vendors continually strengthening their partnerships, with commendable support for the IT reseller channel and distributors delivering strong absolute and relative financial performance. They provide products and services to solution providers and resellers supporting end users of all sizes, including the small-to-midsize business (SMB) market. The industry's high gross revenues provide an attractive and undeniable value proposition for investors, particularly as sales power up.

The Global Technology Distribution Council (GTDC) is a worldwide industry association dedicated to defining and promoting the role of distributors in a successful and healthy information technology channel. The Council comprises IT industry's top distributors dedicated to serving 'the channel', a network of skilled value-added resellers and retail stores focused on providing hardware, software, and services to businesses and consumers around the globe. In addition to Redington, GTDC members include Arrow Electronics, Avnet, Bell Micro, DCC SerCom, ECS Holdings, Esprinet, Ingram Micro (IM), LOGIX Group, Magirus AG, Scribona, Synnex, Tech Data, Westcoast Ltd., Westcon, among others. GTDC members represent more than $100 billion in annual worldwide sales.

The channel space had undergone a shift during 2003-08 with linear distribution models giving way for multiple types of channels. These multiple channels (like system integrators and ISVs) have added more value to the technology adopted by end users.

Nature of Business

The Company is engaged in the business of vendor-authorised end-to-end supply chain management of IT hardware/ software products and selected products outside the IT arena. It carries a wide range of products from leading national and international brands. The Company's value addition in the distribution segment includes the process of demand forecasting, placing orders with suppliers, stocking at various warehouses, supplying to channel partners with possible credit, collecting receivables and finally rendering warranty and post warranty repairs.

In addition to these functions, the Company also provides 3PL services to select customers, and, through a subsidiary, provides commercial finance to channel partners in the IT ecosystem.

SEGMENT WISE PERFORMANCE

i) Distribution of IT and Non IT Products

Indian Operations

Though the Indian IT sector is a preferred choice for many global companies seeking IT solutions, the PC penetration levels in the country is surprisingly low at under 30 per 1000, attracting many brands to address this potential gap in the market. Your Company manages over 58 brands in IT and 11 brands in non-IT businesses and is equipped with a complete understanding of the dynamics of the product category to meet both brand and market expectations.

There are many routes to market deployed by various brands: from sub distribution to mid-market penetration, breadth and SMB expansion to managing direct accounts. Each route to market features its own dynamics of products and pricing methods. To manage these constantly changing dynamics, an efficient business group manages and drives business requirements such as inventory planning, pricing mechanisms, working capital management and delivering net margin.

During the year under review, your Company strategically increased its focus on value business to retain its growth in profits from IT Distribution segment. Value business products such as networking, high-end servers or storage products, software solutions and enterprise products were marketed as a complete solution to address corporate needs. The services offered include end user presale support, implementation at site, marketing activities and deployment of skilled dedicated resources and more.

Among other measures adopted by the Company to strengthen market position were initiatives to enhance the vendor and product base with focused marketing activities at Tier II and Tier III cities. Your Company also entered into additional tie-ups with vendors to enhance opportunities to act as a single point solution for customers.

In addition, the Company plans the addition of more product lines to vendors to increase revenue streams. We are also well-placed to manage a greater share of the business in supply chain solutions with a unique business model, proven execution capabilities and presence in potential markets.

In the non-IT arena, the Company has begun showing increased growth by adding more product lines and initiating tie-ups with almost a dozen new vendors. During the year under review, your Company also signed up with BlackBerry for national retail distribution of the Smartphone. Given the rising demand for the phone, this strategic business initiative will help us tap the fast-growing mobile communications market in India.

Your Company intends to increase the retail footprint through its distribution channels in a phased manner. In the Consumer Electronic segment, the turnover increased from Rs.33.28 crores in 2007-08 to Rs.60.80 crores in 2008-09. While the Consumer Electronic Industry has grown by 15% during the year, your Company witnessed 83% growth in this segment through distribution of products of leading vendors such as LG Electronics, Whirlpool, etc. The presence of established distribution networks in both urban and rural areas, skilled manpower, and diligent managerial administration has enabled result-oriented growth.

Overseas Operations

Similar to India operations, our subsidiary for Middle East and Africa (MEA) markets, Redington Gulf FZE, has retained its growth spurt by increasing vendors, introducing new product lines from existing vendors, and expanding into fresh markets. Today your Company addresses over 21 markets in the MEA region. The growth prospects for West Asia and the African region are equally impressive for IT hardware and software. Here again, a focus on value business paid off and brands such as Trapeze and Nortel Networks were added during the year.

While the sale of desktop PCs is expected to be low, a growing preference for laptops among end users has resulted in higher revenue from their sales. As a fallout of this, the Company has expanded its distribution rights for Toshiba laptops in KSA and Samsung laptops in UAE.

Among other successful business highlights in the international arena is the Redington Gulf FZE, which retained its position of leadership in the Middle East - ranked the No. 1 distributor for the fourth year in succession.

ii) Supply Chain Solutions

Supply chain solutions form an integral part of Redington's operations. A major part of this activity is warehousing - the storage of products between point of origin and point of consumption. The function also provides information on the status, condition and disposition of items and involves proper receipt, safe custody, preservation, issue of material to various channel partners, and physical and financial accounting. During the year, more warehouses were added to existing ones, totaling 60 warehouses in India and 17 abroad.

To ensure smooth profit flow into the future, your Company has forayed into third party logistics which aids the optimum utilization of space in the warehouses. This, together with improved processes for ensuring prompt delivery, enables reduced cost of material handling and increased customer satisfaction. The Company also has a comprehensive insurance to cover risks and hazards such as marine, fire, in-transit, burglary, earthquake, terrorism, etc., for each class of warehouses.

iii) Hardware Support Services

The wider the sweep of the net, the better the chances of withstanding setbacks. Adding to the supply chain business, Indian and overseas operations and various distribution tie-ups, your Company also delivers hardware support services from more than 253 locations. The entire support operations are managed through online call management system called Service On-Line (SOL). This online system helps the back-end support team to monitor service calls and proactively extend support to front end engineers to resolve customer concerns.

To broaden our service portfolio High Level Repair Centres were started at Chennai, Delhi and Mumbai, with Test and Repair equipment to carry out component level repairs of mobile phones including BGA components. A dedicated team to support Sun Microsystems and Nortel ensures these customers are provided with the best of service. During the course of the year, your Company has also initiated a Technical Call Centre to support IMS (Infrastructure Management Services) customers and to create in a phased manner, a full fledged NOC (Network Operating Centre) at Chennai. A central telemarketing team to promote Warranty Extension Packs has also been set up during the year and will be scaled up as the business grows. The service division is in the process of renewing the ISO certification in the ensuing financial year and we are in the process of developing a web portal to promote sale of spares and accessories.

Redington Gulf FZE (RGF) has also expanded the service network in the region by increasing the number of own service centres to 18. Recognizing your Company's service operations in Middle East, RGF was honoured with the 'Best After Sales Service Award' at the 'Choice of Channel awards' hosted by the Vendors and Resellers (VAR) magazine. This was the first online voting award where the winners were decided directly by the vendor and reseller community.

STRENGTHS, RISKS AND CONCERNS

A. Strengths

In the business for the last sixteen years, your Company has emerged as a leading supply chain solutions provider for global brands in IT and non-IT verticals of international presence. The value proposition of distributors has never been more pronounced, especially considering a sustained industry emphasis on channel services, supply chain efficiency and cost management.

The Company's core competencies such as inventory management, receivables management, warehouse management, working capital management, go-to-market strategies, demand generation activities, presales and post-sales supply chain management, reseller identification, efficient method of providing support services, arranging adequate funds at competitive rates for working capital purposes and more has worked in cohesion to ensure a transformation from ' a product' at the manufacturers' place to 'Utility of the product'. The Company completes the business value chain for many of the multinational IT and non-IT brands seeking the 'Commodity to Cash' cycle. Your Company enables MNC brands to reach their customers smoothly by fulfilling all necessary statutory regulations, abiding by the rules and laws of the land. This is an imperative element in the business value chain and it immunizes all brands from its 'opex and capex' in this area and helps them to focus in their core activities such as R&D, manufacturing and brand building.

In the non-IT segment, your Company is an organised distribution player consistently increasing its market share in a market dominated by unorganized competitors.

By signing-up with the Company, the Suppliers in non-IT space find comfortable focusing on manufacturing and brand building, leaving receivables management and reaching the products to the market to the Company. A very high proportion of sales are undertaken through extending credit to channel partners. Your Company caters to the needs of over 16,000 channel partners in India by extending credit, thereby reducing their dependence on banks for funding purposes.

Credit Catalyst

EASYACCESS FINANCIAL SERVICES

- Trade finance to Channel Partners
- Profit in first full year of operations
- Healthy asset quality - No NPAs
- Monetise customer insights

The Company has a diversified product range, with all major international IT vendors well-represented. This wide range of products facilitates economies of scale and is a one point solution for all its customers. The Company's presence in various geographies has enabled it to standardise its best practices across markets, with branches extended to smaller cities and towns to fulfill the requirements of customers. Strong relationship with the vendors over many years has resulted in exceptional growth in both revenue and earnings.

The essence of the distribution business lies in the way IT systems function and the extent of its distributed decision-making capability. The Company believes in a robust IT system/infrastructure to support its voluminous business transactions, seamless monitoring of key controls and for real time management reports. With branch offices, warehouses and service centres spread across various locations, the Company is uniquely placed to provide efficient and timely service to customers.

The Company has always formulated policies and processes keeping the customer firmly in mind. Through continuous monitoring of customer requirements and preferences, and with an objective of developing a structured channel, we have ventured into supporting activities like after-sales service, financing for the channel community, and providing 3PL services for customers. This 'care for customer' strategy has enabled immense trust and loyalty from our channel partners. And it is these customer-centric activities that have created strong 'entry barriers' for other distribution companies in markets where we have a direct presence or indirect presence through subsidiaries.

B. Risk, Concerns and Risk Mitigation

Risk Management is a critical exercise for all organizations, particularly ones operating in many locations / countries. The main aim of risk management is to identify and analyse the risks through a structured Risk-Benefit Analysis and mitigate those risks which are not beneficial to the organisation.

Risk management assumes increased importance for the Company considering its tight profit margins. The Company is exposed to a variety of operational, business and market risks including fall in product prices, technological obsolescence, customer defaults, foreign exchange risks, interest rate risks and inventory carrying risk. The Company continuously monitors these through a well-structured MIS and IT systems supported by periodic audit checks. It also has several processes for continuous identification and redressal of risks. The primary objective of our risk management system is to ensure that risk exposures arising out of our business do not result in any financial distress. The Company has the required insurance coverage for all the insurable risks.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

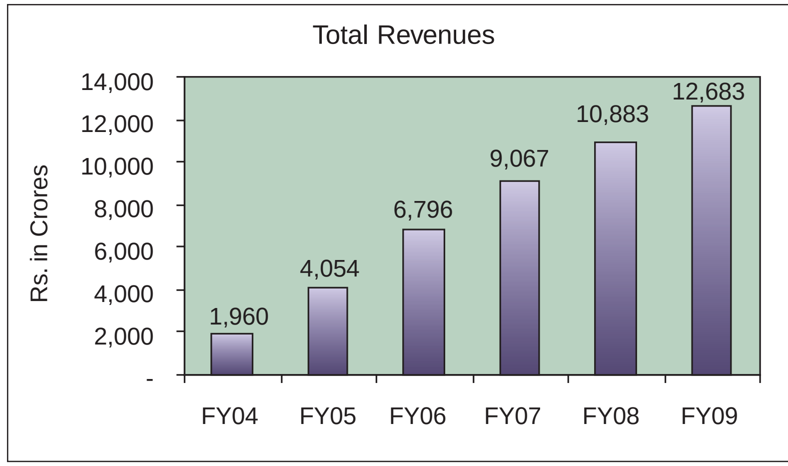
In the ever-changing world of business, the Company endeavours to build, manage and retain the talent and reward them appropriately through a variety of initiatives which enhance a congenial work atmosphere, provide freedom, job enrichment, competitive compensation packages with emphasis on 'performance pay' and formulation of wealth creation opportunities. We believe in aligning people to business opportunities with a shared vision and purpose. The Company continues to promote an atmosphere where employees can prosper and work to deliver high performance. The policy of offering people opportunities for cross functional and cross business exposure nurtures individual growth while providing a challenging atmosphere to showcase their abilities.

FINANCIAL PERFORMANCE & POSITION

The financials of the Company and its Indian subsidiaries are prepared in accordance with the Generally Accepted Accounting Principles in India. The consolidated financials of Redington Distribution Pte Ltd. and its subsidiary is prepared in accordance with the Singapore Financial Reporting Standards and other overseas subsidiary are prepared according to the International Financial Reporting Standards.

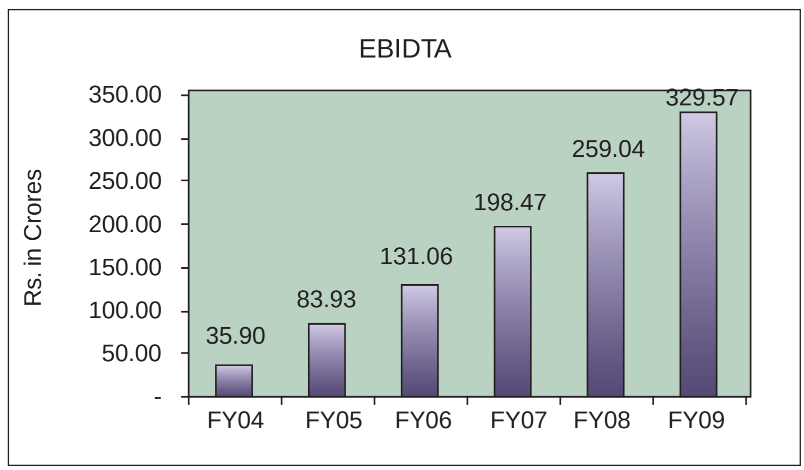
Analysis of Consolidated Financials

Revenues - Revenues for the fiscal 2009 grew by 16.54% to Rs.12,683.14 Crores from Rs.10,883.21 Crores in the previous year. Revenues from overseas subsidiaries contributed to 52% of the total revenues.



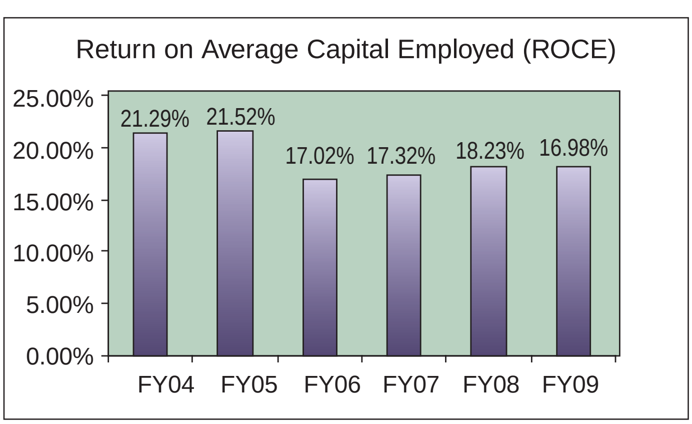
Employee Compensation Costs - Increased to Rs.150.27 Crores in fiscal 2009 as against Rs.118.65 Crores during the fiscal 2008. Employee costs as a percentage to revenue increased from 1.09% to 1.18% in current financial year due to increase in the headcount for new business ventures and increase in the compensation package.

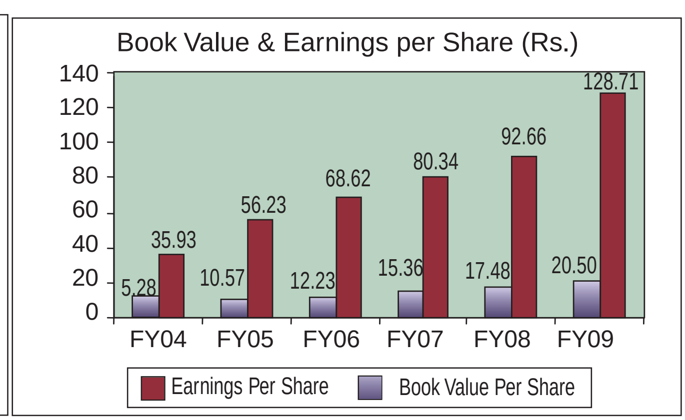
Other Expenses - mainly includes Rent, Insurance, Communication, Travel and Exchange Loss. Increased to Rs.165.13 Crores during fiscal 2009.



EBIDTA - grew by 27% to Rs. 329.57 Crores during fiscal 2009 as against Rs. 259.04 Crores during fiscal 2008. EBIDTA as a percentage of sales and service income touched a new high of 2.60 % during the fiscal 2009 as against 2.38 % during the previous fiscal.

Interest - Interest cost has increased to Rs.97.82 Crores as against Rs.72.00 Crores during the previous fiscal. Interest as a % of sales has increased from 0.66% in the previous fiscal to 0.77 % in the current fiscal mainly on account of increase in interest rate and consolidation of NBFC (Easyaccess) figures.





PBT and PAT - Profit Before Tax increased to Rs.219.02 Crores during the year as against Rs. 177.06 Crores during the fiscal 2008.

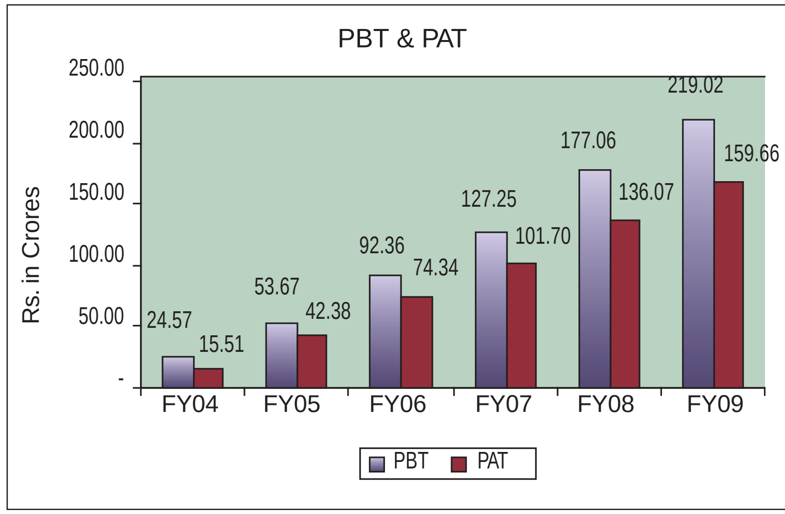
The provision for current tax, fringe benefit tax and deferred tax for the year is Rs.49.98 Crores.

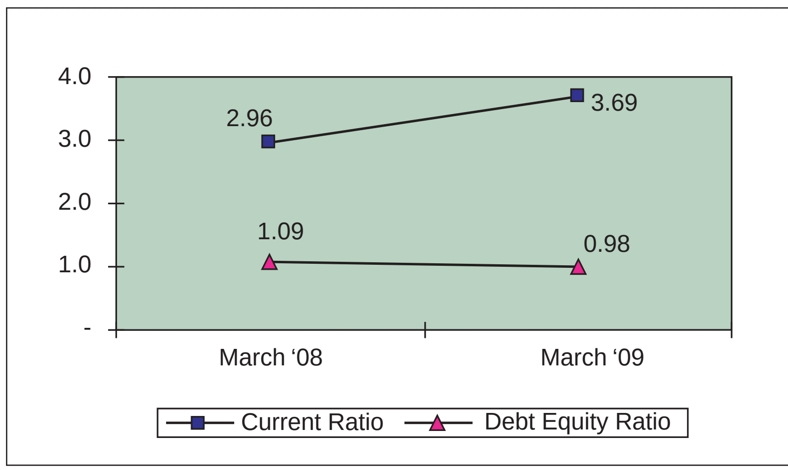
PAT for the year after Minority Interest increased to Rs.159.66 Crores during the year as against Rs.136.07 Crores during the fiscal 2008.

The growth of 23.70% and 17.34% in the PBT and PAT respectively has been mainly on account of increased contribution from higher margin products and operational efficiencies. The PBT and PAT as a % of sales, have grown to 1.73% and 1.26% respectively, as against 1.63% and 1.25% in the previous fiscal.

Borrowings - Increased by 25% to Rs.982.98 Crores as of 31st March 09 as against Rs.783.95 Crores as of 31st March'08.

Fixed Assets - Increased to Rs.87.99 Crores during the fiscal 2009 as against Rs.71.26 Crores during the previous fiscal, the main additions being investment for construction of ADC during the fiscal 2009.





Summarized Cash Flow Statement:

Rs in Crores

Particulars	**2008-09**	**2007-08**
Cash and Cash Equivalents at the beginning of the year	182.95	199.44
Add: Cash generated from / (used in) :		
Operating activities	(99.69)	(58.70)
Investing activities	(13.33)	(27.46)
Financing activities	427.81	88.79
Currency Translation	104.54	(22.27)
Opening Cash Balance of subsidiaries acquired during the year	0.11	2.15
Cash and Cash Equivalents at the end of the year	602.39	181.95
Add: Deposits held for more than 3 months	0	1.00
Cash and Cash Equivalents at the end of the year	602.39	182.95

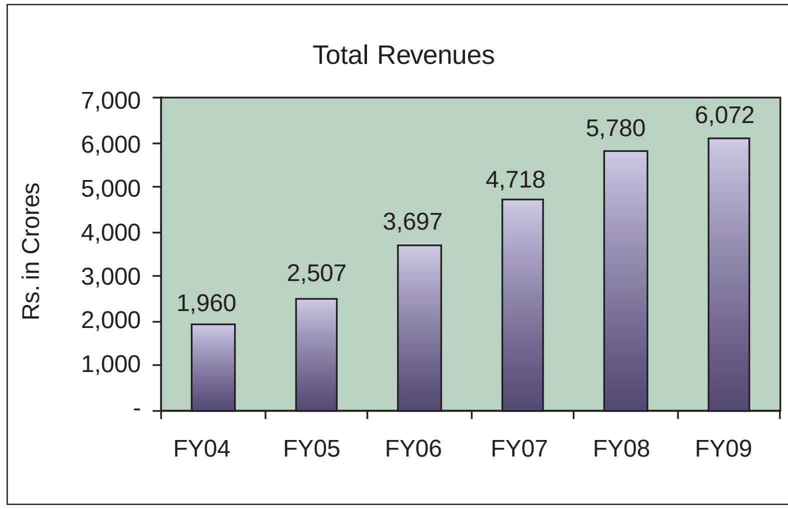
Analysis of Standalone Financials

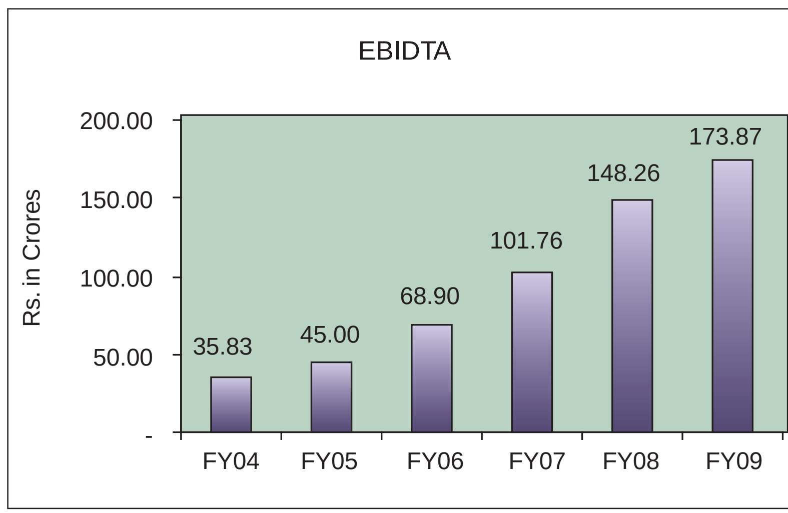
Revenues - has grown to Rs.6,071.64 Crores in the fiscal 2009 from Rs.5,780.09 Crores in fiscal 2008.

Employee Compensation Costs - Increased to Rs.75.81 Crores in fiscal 2009 as against Rs.61.55 Crores during the fiscal 2008. The increase is due to increase in the headcount mainly in the new business verticals and due to the increase in the compensation package.

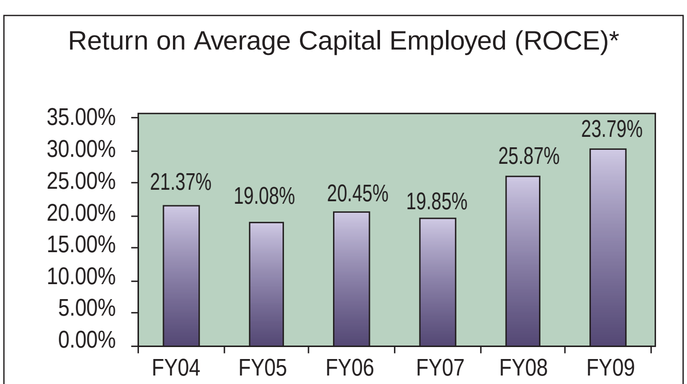
Other Expenses - Increased to Rs.83.98 Crores during fiscal 2009 as against Rs. 60.44 Crores during the fiscal 2008. The increase is mainly due to increase in rent and factoring costs.

EBIDTA - Increased by around 17% to Rs.173.87 Crores during fiscal 2009 as against Rs. 148.26 Crores during fiscal 2008. EBIDTA as a percentage of revenue increased to 2.86 % during the fiscal 2009 as against 2.57% during the previous fiscal.

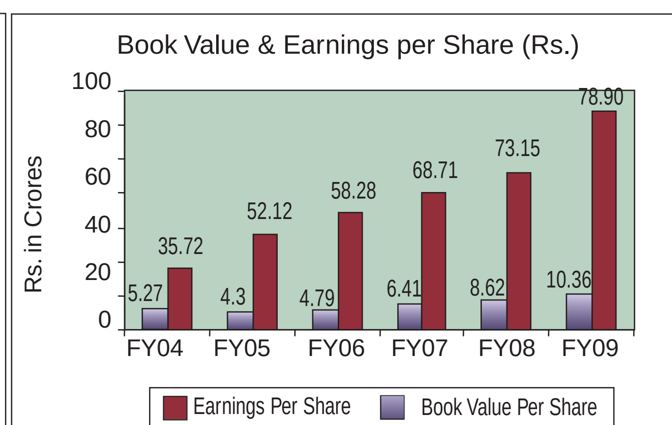




Interest - Interest cost has increased to Rs.44.91 Crores as against Rs. 40.66 Crores during the previous fiscal. However the interest cost as a % of total revenues has been almost constant at around 0.7%, signifying effective utilization of working capital.



* Excluding investments in wholly owned subsidiaries

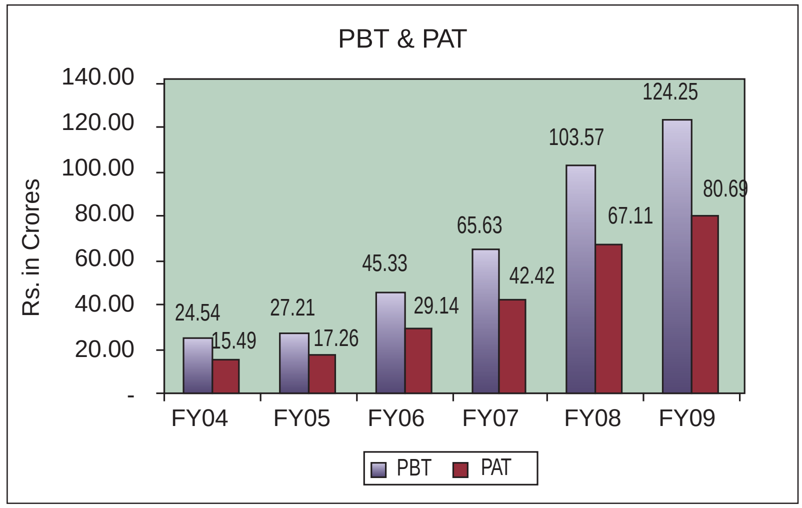


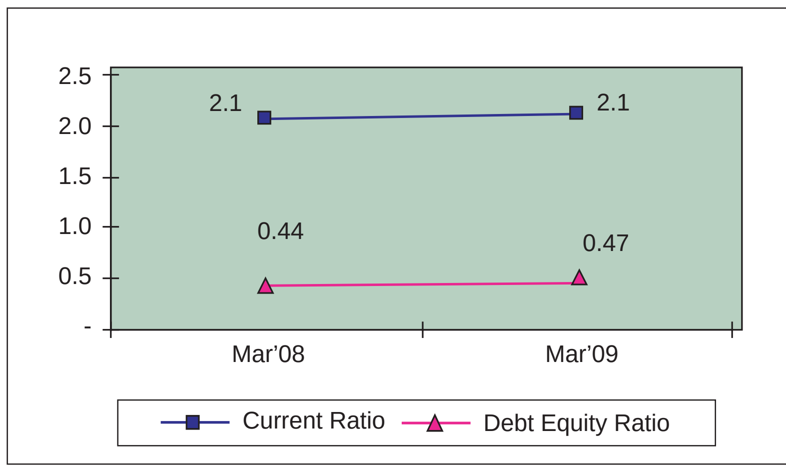
PBT and PAT - Profit Before Tax increased to Rs.124.25 Crores during the year as against Rs. 103.57 Crores during the fiscal 2008. Profit After Tax increased to Rs.80.69 Crores during the year as against Rs.67.11 Crores during the fiscal 2008. The growth of 20% each in the PBT and PAT has been mainly on account of better product mix and operational efficiencies.

The PBT and PAT as a % of sales have grown to 2.0% and 1.3% respectively, as against 1.8% and 1.2% in the previous fiscal.

Borrowings - Increased by 14.92% to Rs.289.91 Crores as of 31st March 09 as against Rs. 252.26 Crores as of 31st March 2008.

Fixed Assets - Increased to Rs.65.48 Crores during the fiscal 2009 as against Rs. 53.12 Crores during the previous fiscal the main addition being investment for construction of ADC.





Summarized Cash Flow Statement:

Rs in Crores

Particulars	**2008-09**	**2007-08**
Cash and Cash Equivalents at the beginning of the year	77.59	93.82
Add: Cash generated from / (used in) :		
Operating activities	26.86	213.54
Investing activities	(12.95)	(102.26)
Financing activities	(35.54)	(127.50)
Cash and Cash Equivalents at the end of the year	55.96	77.59

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems in place commensurate with its size and nature of operations.

The Internal Auditor, inter alia, covers all significant areas of the company's operations and submit their report to the Audit Committee of the Company for their review in its meetings.

Cautionary Statement

Statements in the Management Discussion and Analysis describing 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

AUDITOR'S 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, 2009 , 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, 2009 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 hereto.

For Deloitte Haskins & Sells
Chartered Accountants

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 22, 2009

AUDITOR'S 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, 2009, 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, 2009 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, 2009;

   (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

M.K. Ananthanarayanan

Partner

Membership No. 19521

Place : Chennai

Date : May 22, 2009

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 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 Company has an adequate internal audit system commensurate with the size and 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, 2009 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, 2009 with the appropriate authorities on account of disputes, except for the dues referred to below:

Name of the Statute	Nature of Dues	Amount (Rs. Lacs)	Period to which the amount relates	Forum where dispute is pending
The Customs Act, 1962	Customs Duty	15.27	Various Years	CESTAT
Sales Tax Act of various states	Sales Tax	104.34	Various Years	Various Appellate Authorities
Central Sales Tax Act, 1956	Sales Tax	11.66	Various Years	Various Appellate Authorities

10. The Company has no accumulated losses as at March 31, 2009 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 explanation 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 as disclosed in Note No. 2(a) of schedule 16 to the financial statements.
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

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 22, 2009

ABRIDGED BALANCE SHEET AS AT MARCH 31, 2009

(Rs in Lakhs)

	As At 31.03.2009	As At 31.03.2008
SOURCES OF FUNDS		
(1) Shareholders' Fund		
a. Capital		
I. Equity	**7,786.57**	7786.57
b. Reserves and Surplus		
I. Securities Premium Account	**32,791.44**	32,791.44
II. General Reserve	**1,902.21**	1,095.32
III. Hedge Accounting Reserve	**(11.37)**	(69.67)
IV. Surplus in Profit and Loss Account	**18,969.85**	15,351.86
Total	**53,652.13**	49,168.95
Total (a + b)	**61,438.70**	**56,955.52**
(2) Loan Funds		
a. Secured Loans	**15,681.94**	11,758.10
b. Unsecured Loans	**13,308.80**	13,468.25
Total	**28,990.74**	**25,226.35**
(3) Deferred Tax Liability (Net)	**13.12**	28.61
Total (1 + 2 + 3)	**90,442.56**	**82,210.48**
APPLICATION OF FUNDS		
(1) Fixed Assets		
(a) Net block (Gross Block less Accumulated Depreciation)	**5,520.35**	4,987.29
(b) Capital advances	**1,028.03**	325.68
(2) Investments in Subsidiaries - Unquoted	**32,093.25**	32,082.47
(3) a. Current assets, loans and advances		
I. Inventories	**27,344.57**	30,182.39
II. Sundry Debtors	**64,502.26**	42,871.59
III. Cash and bank balances	**5,595.72**	7,759.23
IV. Loans and advances		
– To Subsidiary	**36.03**	14.90
– To Others	**7,819.53**	5,166.19
Total (I+II+III+IV)	**105,298.11**	**85,994.30**
Less:		
b. Current liabilities and provisions		
I. Liabilities	**49,325.82**	37,677.84
II. Provisions	**4,171.36**	3,501.42
Total (I + II)	**53,497.18**	**41,179.26**
Net current assets (a -b)	**51,800.93**	**44,815.04**
Total (1 + 2 + 3)	**90,442.56**	**82,210.48**

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

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 22,2009

ABRIDGED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

(Rs in Lakhs)

		Year Ended March 31, 2009	Year Ended March 31, 2008
I.	**Income**		
	Sales & Service Income	**606,615.65**	577,100.71
	Interest	**417.51**	841.43
	Other Income	**130.83**	67.21
	Total	**607,163.99**	**578,009.35**
II.	**Expenditure**		
	Cost of good sold (i + ii – iii)		
	(i) Opening Stock	**30,182.39**	29,417.99
	(ii) Purchases	**569,217.07**	549,634.42
	(iii) Closing Stock	**27,344.57**	30,182.39
		572,054.89	**548,870.02**
	Trading expenses	**1,743.22**	2,114.82
	Employee Compensation Costs	**7,537.87**	6,106.82
	Managerial Remuneration	**43.08**	48.00
	Interest	**4,490.54**	4,066.35
	Depreciation	**471.08**	402.08
	Auditor's remuneration	**37.13**	30.20
	Bad Debts Written Off and Provision for doubtful debts	**327.99**	366.56
	Other expenses	**8,033.08**	5,647.41
	Total	**594,738.88**	**567,652.26**
III.	**Profit before tax (I - II)**	**12,425.11**	**10,357.09**
IV.	**Provision for taxation**	**4,356.25**	**3,645.68**
V.	**Profit after tax**	**8,068.86**	**6,711.41**
VI.	**Proposed Dividend on Equity Shares including Corporate Dividend Tax**	**3,643.98**	**3,188.46**
VII.	**Transfer to reserves/surplus**	**4,424.88**	**3,522.95**
EARNING PER SHARE			
	EPS – Basic and Diluted (Rs.) - Face Value – Rs. 10	**10.36**	**8.62**
	Weighted Average Number of shares for calculating earnings per share	**77,865,746**	**77,865,746**

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

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 22,2009

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2009		Year Ended March 31, 2008	
Cash flow from operating activities:				
Net Profit before taxation	**12,425.11**		**10,357.09**	
Adjustments for:				
- Depreciation	**471.08**		402.08	
- Interest Expense	**4,490.54**		4,066.35	
- Interest income	**(417.51)**		(841.43)	
- Provision for Doubtful Debts	**327.99**		366.56	
- Provision for Doubtful Debts written back	**(2.69)**		-	
- Provision for Leave Encashment	**84.78**		(2.07)	
- Provision for Gratuity	**146.37**		101.13	
- Unrealised Foreign Exchange Variation (net)	**227.26**		(142.70)	
- Loss/(Profit) on sale of fixed assets	**(10.06)**		12.51	
Operating Profit before working capital change	**17,742.87**		14,319.52	
(Increase)/Decrease in Sundry Debtors	**(21,955.97)**		9,651.53	
Increase in Loans and advances	**(1,819.73)**		(1,865.89)	
Decrease/(Increase) in Inventories	**2,837.82**		(764.40)	
Increase in Current liabilities and Provisions	**11,102.06**		3,510.99	
Cash generated from operations	**7,907.05**		**24,851.75**	
Direct taxes paid	**(5,221.22)**		**(3,498.13)**	
Net Cash generated from operating activities		**2,685.83**		**21,353.62**
Cash flow from investing activities:				
Purchase of Fixed Assets	**(1,880.29)**		(2,692.55)	
Proceeds from Sale of Fixed Assets	**183.86**		23.13	
Interest Received	**458.53**		725.29	
Loan Granted to ESPS Trust	**(46.28)**		(25.50)	
Loan Settled by ESPS Trust	**-**		18.00	
Loan Granted to Subsidiaries	**(52.40)**		(204.51)	
Loan Settled by Subsidiaries	**52.40**		204.51	
Investments in subsidiaries	**(10.78)**		(8,274.74)	
Net Cash used in investing activities		**(1,294.96)**		(10,226.37)
Cash flow from financing activities:				
Proceeds from short term borrowings (net)	**3,764.39**		(6,479.99)	
Dividends Paid, including Dividend Tax	**(3,186.91)**		(2,276.07)	
Interest paid	**(4,131.86)**		(3,993.82)	
Net Cash used in financing activities		**(3,554.38)**		**(12,749.88)**
Net decrease in cash and cash equivalents		**(2,163.51)**		**(1,622.63)**
Cash and cash equivalents at the beginning of the year		**7,759.23**		**9,381.86**
Cash and cash equivalents at the end of the year		**5,595.72**		**7,759.23**

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

M K Ananthanarayanan
Partner
Place : Chennai
Date : May 22, 2009

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Notes to Abridged Accounts for the year ended March 31, 2009

1. Utilisation of Initial Public Offer (IPO) Funds as at March 31, 2009

(Rs. in Lakhs)

Details	2008-09	2007-08
Proceeds from issue of shares	**14,951.03**	14,951.03
Less: - Issue Expenses	**1,051.53**	1,051.53
Net IPO Proceeds	**13,899.50**	13,899.50
Less: - Utilisation of Funds	**11,697.70**	10,755.83
Balance of IPO Funds	**2,201.80**	3,143.67
Break up of Balance of IPO Funds :-		
Funds pending utilization and deployed in Working Capital	**2,201.80**	2,173.67
Funds pending utilization and held as deposits	**Nil**	970.00
Total	**2,201.80**	3,143.67

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. 2(a) in the notes to accounts of the financial statements)**

2. Investment in Subsidiaries

The company acquired entire stake in Redington Gulf FZE ("RGF") with effect from April 1, 2004. The total investment of the Company in the aforesaid subsidiary aggregated to Rs.21,412.33 Lakhs.

As part of its strategy in increasing its global footprint and to leverage its existing international presence, the company:-

a) Set up a new wholly owned subsidiary in Mauritius in July 2008 viz. Redington International Mauritius Limited ("RIML") with an initial investment of USD 25,000 (INR equivalent Rs.10.78 lakhs) which in turn set up a wholly owned subsidiary in Cayman Islands viz, Redington International (Holdings) Limited ("RIHL").

b) Transferred without consideration, its entire shareholding in Redington Gulf FZE ("RGF") to RIHL on November 13, 2008. Post this transfer, RGF has become a step down subsidiary of RIML and the Company. As per the applicable guidelines the company has informed the regulatory authorities concerned on the matter.

After the above restructuring of the Company's overseas investments, the Company continues to have effective control over all the above subsidiaries and all the economic benefits would accrue to the Company.

As the transfer of the Company's holding in "RGF" to "RIHL" in substance represents the Company's contribution to the capital of "RIHL", the carrying amount of Rs.21,412.33 lakhs being the cost of investment in 'RGF' has been reflected in these financial statements as investment in "RIHL" at cost as per paragraph 17 of Accounting Standard 13 - "Accounting for Investments" and has consequently not been considered as a disposal of investment. The transfer has not resulted in dilution in the aggregate value of investments or any change in the accrual of economic benefits. **(Note No. 2(e) in the notes to accounts of the financial statements)**

3. Contingent Liabilities

(Rs. in Lakhs)

	As at March 31, 2009	As at March 31, 2008
1. Guarantees by banks on behalf of the Company	**198.19**	1,012.40
2. Corporate Guarantees outstanding		
• On behalf of subsidiaries	**46,436.47**	37,257.26
• Others	**342.55**	NIL
3. Bills Discounted	**3,095.44**	2,113.68
4. Factoring	**5,825.00**	1,500.00
5. Claims against Company not acknowledged as debts	**139.20**	91.57

6. 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, 2009	As at March 31, 2008
The Customs Act, 1962	Customs duty	Various Years	CESTAT	**15.27**	15.27
The Customs Act, 1962	Customs duty	Various Years	Commissioner Appeals	**9.55**	Nil
Income Tax Act, 1961	Income Tax	Various years	Income Tax Appellate Tribunal	**19.39**	Nil
Income Tax Act, 1961	Income Tax	Various years	CIT (Appeals)	**24.52**	115.90
Sales Tax Act of various states	Sales Tax	Various years	Various appellate Authorities	**127.09**	136.46
Central Sales Tax Act, 1956	Sales Tax	Various years	Various appellate Authorities	**45.29**	84.16

The Company has paid Rs.109.84 Lakhs under protest (P.Y. Rs.137.86 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. 2(j) in the notes to accounts of the financial statements)**

4. 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. 2(k) in the notes to accounts of the financial statements)**

5. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for, (net of advances) is Rs.1582.25 Lakhs (P.Y. Rs.100.43 Lakhs) **(Note No. 2(l) in the notes to accounts of the financial statements)**

6. The Company had entered into an agreement with one of its wholly owned overseas subsidiary for payment of Trade Mark License fees for a period of ten years at USD 4,00,000/- per annum with effect from April 1, 2006 and the amount paid for the year is Rs. 189.33 Lakhs (Previous Year - Rs. 161.10 Lakhs) which is charged to the profit and loss account. **(Note No. 2(o) in the notes to accounts of the financial statements).**

7. Events occurring after the balance sheet date

a) After March 31, 2009, the company has extended corporate guarantee on behalf of its wholly owned subsidiary Redington International Mauritius Limited, Mauritius amounting to Rs.5072 Lakhs.

b) On April 24, 2009, 400 equity shares of Rs.10/- each fully paid up were issued and allotted pursuant to the exercise of stock options under Employee Stock Option Plan 2008.

c) The Board of Directors at their meeting held on May 22, 2009 has approved the repricing of 75,000 options granted and are outstanding under Redington Employee Stock Option Plan 2008 at Rs. 165/- subject to regulatory compliances if any.

d) The Board of directors at their meeting held on May 22, 2009 has also approved the grant of 25,000 options under Redington Employee Stock Option Plan 2008 at Rs. 165/- to one of non-executive Directors of the Company.

(Note No. 2(n) in the notes to accounts of the financial statements)

8. The Company's overseas step down subsidiary, Redington International (Holdings) Limited, a company incorporated in Cayman Islands issued and allotted 59,035 equity shares at USD 47.84 to the employees of the Company and its subsidiaries under an Employee Share Purchase Scheme. This has no financial impact on the Company.

(Note No. 2(r) in the notes to accounts of the financial statements)

9. Accounting for Financial Instruments

The Company has recognised Mark to Market (MTM) Losses of Rs. 11.37 Lakhs (P.Year 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. The company has not taken any forward contract for speculative purposes.

Details of Foreign Exchange Contract Exposures as at the year end are as under:

Rs. in Lakhs

Type of Contract	March 31, 2009	March 31, 2008
Forward Contracts entered into to hedge the foreign currency risk of highly probable forecast transactions	**5,973.03**	4,525.19
Forward Contracts entered into for import creditors outstanding	**37,156.30**	7,141.11

(Note No. 2(u) in the notes to accounts of the financial statements)

10. Related Parties

1. Key Management Personnel

Mr. R.Srinivasan, Managing Director

Mr. Raj Shankar, Deputy Managing Director

Mr. M.Raghunandan, Wholetime Director

2. 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 International Mauritius Limited, Mauritius* Redington International (Holdings) Limited, Cayman Islands* 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 Araba 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* Redington Kenya (EPZ) Ltd., Kenya Redington Limited, Ghana Redington Uganda Limited, Uganda Africa Joint Technical Services, Libya RGF Private Trust Company Limited, Cayman Islands

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

3. **Nature of Transactions**

(Rs. in Lakhs)

Nature of Transactions	**Year Ended March 31, 2009**	**Year Ended March 31, 2008**
	Party Where Control Exists	Party Where Control Exists
Redington Employees Share Purchase Trust		
Interest Income	**0.95**	1.25
Trust Expenses	**1.17**	1.44
Amount Receivable at year end	**0.76**	0.99
Loan Granted	**46.28**	25.50
Loan Repaid	**NIL**	18.00
Loan Outstanding	**53.78**	7.50

(Rs. in Lakhs)

Nature of Transactions	**Year Ended March 31, 2009**	**Year Ended March 31, 2008**
	Parties with Significant Influence	Parties with Significant Influence
Redington (Mauritius)Limited		
Dividend Paid	**1186.56**	847.54
Synnex Mauritius Limited		
Dividend Paid	**771.34**	550.95

(Rs. in Lakhs)

Nature of Transactions	**Year Ended March 31, 2009**	**Year Ended March 31, 2008**
	Subsidiary Companies	Subsidiary Companies
Nook Holdings Ltd		
Rent	**6.00**	6.00
Interest Income	**1.78**	2.11
Amount Receivable at year end	**13.62**	14.90
Investments at year end	**15.32**	15.32
Redington (India) Investment Private Ltd		
Investments at year end	**5.00**	5.00
Easyaccess Financial Services Ltd		
Lease Rent	**4.21**	0.68
Sales/Service Charges - Income	**58.64**	274.23
Receivables Factored	**185,780.63**	47,490.44
Factoring Expenses	**1,709.56**	342.28
Interest Income	**0.98**	0.22
Amount Receivable at year end	**22.19**	170.39
Loan Granted	**NIL**	64.51
Loan Repaid	**NIL**	64.51
Equity Contribution	**NIL**	8,000.00
Investments at year end	**8,274.74**	8,274.74
Cadensworth (India) Ltd		
Purchase of Fixed Assets	**0.41**	NIL
Sales/Service Charges - Expense	**10.33**	13.48

Sales/Service Charges - Income	**0.34**	0.41
Interest Income	**0.22**	5.80
Amount Payable at year end	**9.75**	13.33
Loan Granted	**52.40**	140.00
Loan Repaid	**52.40**	140.00
Investments at year end	**612.27**	612.27
Redington Distribution Pte Ltd		
Trading Purchases	**2,603.56**	3,199.43
Sales/Service Charges	**190.69**	24.48
Trade Mark License Fees	**189.33**	161.10
Amount Payable at year end	**367.60**	117.07
Investments at year end	**1,762.81**	1,762.81
Redington International Mauritius Ltd		
Equity Contribution	**10.78**	NIL
Investments at year end	**10.78**	NIL
Redington International (Holdings) Ltd		
Investments at year end	**21,412.33**	NIL
Redington Gulf FZE		
Amount Receivable at year end	**0.22**	NIL
Investments at year end	**NIL**	21,412.33
Cadensworth FZE		
Trading Purchases	**1.07**	0.47
Amount Payable at year end	**0.51**	NIL

(Note No. 2(w) in the notes to accounts of the financial statements)

11. Employee Stock Option Plan 2008

As the company follows intrinsic value method of accounting, no compensation costs have been recognized in these accounts as the options have been granted at the prevailing market prices.

Out of the options 23,35,973 granted on February 29, 2008, 3,61,393 options lapsed, 2,87,143 options were reissued subsequently and 22,61,723 options were outstanding as on March 31, 2009. These options are subject to graded vesting over a period of 36 months from the date of grant and 50% of the options granted got vested on February 28, 2009. The options are to be exercised within a maximum period of 5 years from the date of vesting.

Out of the lapsed options the Board of Directors at their meeting held on 25th July 2008 and 28th January 2009 had approved grant of 11,000 and 2,76,143 options respectively.

The Board of Directors in their meeting held on January 28, 2009 considered and approved the re-pricing of 19,59,830 options granted under the Company's Employee Stock Option Plan 2008 and are in force, at Rs.130/- per option. Consequent to re pricing of the options there would not be any impact to the profit for the year as the price per option was more than the prevailing market price.

Based on the following assumptions, the fair value of each stock option granted under Employee Stock Option Plan 2008 is

Date of Grant	Feb 29, 2008	July 25, 2008	Jan 28, 2009
Fair Value of Options	171.33	159.71	47.46

Assumptions:

Stock Price: The stock price of the Company is the closing price of the Company's equity share on the NSE on the day prior to the date of grant

Volatility: Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements. It is also important that movements due to abnormal events get evened out. The entity's stocks have been publicly traded from February 15, 2007 on NSE & BSE.

Exercise Price: Options have been granted primarily at a price of Rs.348.05 in the last financial year, which was re-priced at a Market price of Rs.130 on January 28, 2009.

Risk free interest rate: The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Time of Maturity: 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 and the maximum life is the period after which the options cannot be exercised. The fair value of each award has been determined based on different expected lives of the options that vest each year, as if the award were separate awards, each with a different vesting date. A weighted average of 3 vests has been calculated to arrive at the value of the options granted.

Expected Dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the preceding 2 years to the year of grant.

The impact on the profit of the Company as at the year end 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)

	2008-09	**2007-08**
Profit after tax as per Profit and Loss Account (a)	8068.86	6711.41
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	NIL	NIL
Less: Employee Stock Compensation Expense as per Fair Value Method	2569.08	190.28
Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	5499.78	6521.13
Earnings per share based on earnings as per (a) above - Basic & Diluted	10.36	8.62
Earnings per share had fair value method been employed for accounting of employee stock options - Basic & Diluted	7.06	8.37

(Note No. 2(y) in the notes to accounts of the financial statements)

12. Ratios

(i) Sales to total assets ratio - 4.21 Times (Previous Year - 4.68 Times)

(ii) Operating Profit / Closing Capital Employed - 18.71% (Previous Year - 17.55%)

(iii) Return on Closing Net worth - 13.13% (Previous Year - 11.78%)

(iv) Profit to sales ratio - 1.33% (Previous Year - 1.16%)

13. 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

M K Ananthanarayanan
Partner

R Srinivasan
Managing Director

S V Krishnan
Chief Financial Officer

Raj Shankar
Dy. Managing Director

M Raghunandan
Whole Time Director

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 22, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No	28758	State Code	18
Balance Sheet Date	31-03-09		

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	9044256	Total assets	9044256
SOURCES OF FUNDS			
Paid-up Capital	778657	Reserves & Surplus	5365213
Secured Loans	1568194	Unsecured Loans	1330880
APPLICATION OF FUNDS			
Net Fixed Assets	654838	Investments	3209325
Net Current Assets	5180093	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV Performance of Company (Rs. in Thousands)

Turnover (incl. Other Income	60716399	Total Expenditure	59473888
+/- Profit/Loss before tax	1242511	+/- Profit/Loss after tax	806886
Earning per Share (in Rs.) (Basic)	10.36	Dividend Rate %	40
Earning per Share (in Rs.) (Diluted)	10.36		

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 22, 2009

Consolidated Abridged Financial Statements

AUDITOR'S 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, 2009, 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, 2009 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 hereto.

For Deloitte Haskins & Sells
Chartered Accountants

M K Ananthanarayanan
Partner
Membership No.19521

Place : Chennai
Date : May 22, 2009

AUDITOR'S 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, 2009; 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 policies used and significant estimates made by the 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 International Mauritius Limited, Redington Distribution Pte Ltd and Redington Gulf FZE (till November 12, 2008), whose financial statements reflect total assets of Rs.155,362.75 lakhs as at March 31, 2009, total revenues of Rs. 659,647.81 lakhs and net cash inflows amounting to Rs. 40,583.88 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 Company's (Accounting Standard) Rules, 2006.

Based on our audit 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, 2009;

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 consolidated Cash Flow Statement of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 22,2009

CONSOLIDATED ABRIDGED BALANCE SHEET AS AT MARCH 31, 2009

(Rs in Lakhs)

	As At 31.03.2009	As At 31.03.2008
SOURCES OF FUNDS		
(1) Shareholders' Fund		
a. Capital		
I. Equity	**7,786.57**	7,786.57
b. Reserves and Surplus		
I. Capital Reserve	**32,505.05**	239.97
II. Securities Premium Accounts	**32,791.44**	32,791.44
III. General Reserve	**1,902.21**	1,095.32
IV. Statutory Reserve	**164.98**	56.69
V. Hedge Accounting Reserve	**(11.37)**	(69.67)
VI. Employee share purchase Reserve	**12.48**	-
VII. Foreign Currency Translation Reserve	**765.72**	(1,037.08)
VIII. Surplus in Profit and Loss Account	**24,302.52**	31,285.74
Total (b)	**92,433.03**	64,362.41
Total (a + b)	**100,219.60**	**72,148.98**
(2) Minority Interest	**24,133.16**	**-**
(3) Loan Funds		
a. Non-Convertible Debenture	**6,400.00**	10,500.00
b. Secured Loans (other than debentures)	**33,140.42**	18,778.31
c. Unsecured Loans	**58,758.02**	49,117.05
Total	**98,298.44**	**78,395.36**
Total (1 + 2 + 3)	**222,651.20**	**150,544.34**
APPLICATION OF FUNDS		
(1) Fixed Assets		
(a) Net block (Gross Block less Accumulated Depreciation)	**7,646.71**	6,790.85
(b) Capital advances	**1,151.89**	335.23
(2) Goodwill	**-**	5,350.31
(3) Deferred Tax (Asset)	**36.14**	4.57
(4) i. Current assets, loans and advances		
a. Inventories	**77,935.71**	71,878.82
b. Sundry Debtors	**140,456.70**	107,881.75
c. Cash and bank balances	**60,238.65**	18,295.31
d. Loans and advances	**14,658.53**	10,324.68
Total	**293,289.59**	**208,380.56**
Less:		
ii. Current liabilities and provisions		
a. Liabilities	**74,626.85**	66,466.34
b. Provisions	**4,846.28**	3,850.84
Total	**79,473.13**	**70,317.18**
Net current assets (i - ii)	**213,816.46**	**138,063.38**
Total (1 + 2 + 3 + 4)	**222,651.20**	**150,544.34**

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

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 22, 2009

CONSOLIDATED ABRIDGED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

(Rs. in Lakhs)

	Year Ended March 31, 2009	Year Ended March 31, 2008
I. Income		
Sales & Service Income	**1,266,827.48**	1,087,005.88
Interest	**1,296.08**	1,081.61
Other Income	**190.88**	233.31
Total	**1,268,314.44**	1,088,320.80
II. Expenditure		
Cost of good sold		
(i) Opening Stock	**71,878.82**	64,796.02
(ii) Purchases	**1,206,625.95**	1,041,066.75
(iii) Closing Stock	**77,935.71**	71,878.82
(i + ii - iii)	**1,200,569.06**	**1,033,983.95**
Trading expenses	**3,247.48**	3,484.61
Employee Compensation Costs	**14,529.09**	11,441.25
Managerial Remuneration	**497.95**	424.15
Interest	**9,781.97**	7,200.20
Depreciation	**1,273.72**	997.82
Auditor's remuneration	**157.50**	164.50
Bad Debts Written Off and Provision for doubtful debts	**794.75**	752.06
Other expenses	**15,561.15**	12,166.46
Total	**1,246,412.67**	**1,070,615.00**
III. Profit before tax	**21,901.77**	17,705.80
IV. Provision for taxation	**4,998.02**	4,098.43
V. Profit after tax	**16,903.75**	13,607.37
VI. Minority Interest	**937.62**	-
VII. Profit for the year	**15,966.13**	13,607.37
VIII. Proposed Dividend - Equity Shares including Corporate Dividend Tax	**3,643.98**	3,188.46
IX. Transfer to reserves/surplus	**12,322.15**	10,418.91
EARNINGS PER SHARE		
EPS – Basic (Face Value – Rs. 10 Per Share)	**20.50**	17.48
EPS – Diluted (Face Value – Rs. 10 Per Share)	**20.50**	17.47
Weighted Average Number of shares for calculating earnings per share		
Basic	**77,865,746**	77,865,746
Diluted	**77,865,746**	77,871,974

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

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 22, 2009

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2009		Year Ended March 31, 2008	
Cash flow from operating activities:				
Net Profit before taxation	**21,901.77**		17,705.80	
Adjustments for:				
- Depreciation	**1,273.72**		997.82	
- Interest Expense	**9,781.97**		7,200.20	
- Interest Income	**(1,296.08)**		(1,081.61)	
- Provision for Doubtful debts	**621.48**		739.53	
- Provision for Doubtful debts written back	**(2.69)**		(141.19)	
- Bad debts written off	**173.27**		12.53	
- Provision for leave encashment	**84.78**		(2.07)	
- Provision for gratuity	**541.89**		275.35	
- Unrealised Foreign Exchange Variation (Net)	**227.27**		(142.70)	
- Equity settled reserve	**12.48**		-	
- (Profit)/Loss on sale of fixed assets	**(5.39)**		11.38	
Operating Profit before working capital changes	**33,314.47**		**25,575.04**	
Increase in Sundry Debtors	**(33,367.01)**		(31,235.50)	
Decrease/(Increase) in Loans and advances	**1,513.24**		(3,683.87)	
Increase in Inventories	**(6,056.89)**		(7,082.80)	
Increase in Current liabilities	**1,872.12**		14,297.96	
Cash used in operations	**(2,724.07)**		**(2,129.17)**	
Interest Paid by Financial Services Subsidiary	**(1,444.69)**		(14.27)	
Direct tax paid	**(5,800.89)**		(3,726.39)	
Net Cash used in operating activities		**(9,969.65)**		**(5,869.83)**
Cash flow from investing activities:				
Purchase of fixed assets	**(2,760.27)**		(3,699.70)	
Proceeds from sale of fixed assets	**188.33**		32.02	
Interest received	**1,296.08**		1,203.64	
Loan granted to ESPS Trust	**(46.28)**		(25.50)	
Loan settled by ESPS Trust	**-**		18.00	
Investment in subsidiaries	**(10.78)**		(274.74)	
Net Cash used in investing activities		**(1,332.92)**		**(2,746.28)**
Cash flow from financing activities:				
Proceeds from issue of share capital by a subsidiary	**34,402.13**		-	
Proceeds from short term borrowings (Net)	**19,903.08**		18,268.27	
Dividends Paid, including dividend tax	**(3,186.91)**		(2,276.07)	
Interest paid	**(8,337.29)**		(7,113.40)	
Net Cash generated from financing activities		**42,781.01**		**8,878.80**
Net increase in cash and cash equivalents		**31,478.44**		**262.69**
Cash and cash equivalents at the beginning of the year		**18,295.31**		**19,943.96**
Opening cash balances of subsidiaries acquired & consolidated during the year		**10.78**		**215.29**
Currency Translation Adjustment		**10,454.12**		(2,226.63)
Cash and cash equivalents at the end of the year		**60,238.65**		**18,195.30**
Reconciliation of Cash and cash equivalents				
Cash and cash equivalents at the end of the year as per Balance Sheet		**-**		**18,295.31**
Less: Bank deposits held for more than three months		**-**		**100.00**
Total		**-**		**18,195.31**

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

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 22, 2009

Notes to Abridged consolidated financial statements for the year ended March 31, 2009

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 prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP) under historical cost convention on the accrual basis and audited by Deloitte Haskins and Sells, Chennai.

b. Consolidated financial statements of Redington International Mauritius Limited prepared in accordance with International Financial Reporting Standards (IFRS) and audited by Deloitte & Touche (M.E.)

c. Consolidated financial statements of Redington Distribution Pte. Limited prepared under Singapore Financial Reporting Standards and audited by Ernst & Young.

Necessary adjustments have been made in the consolidated financial statements to conform to Indian GAAP wherever there are significant differences between Indian GAAP / Singapore Financial Reporting Standards / IFRS (Refer Note: 4 (n) in the notes to the consolidated financial statements).

The audited financial statements of the Parent Company and its Indian subsidiaries and the consolidated financial statements of Redington International Mauritius Limited, 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) Capital Reserve arising on consolidation represents the excess of net worth over the carrying cost of acquisition of the respective subsidiaries. Goodwill arising on consolidation represents the excess of carrying cost of acquisition of subsidiaries over the net worth 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 the consolidated financial statements)

2. Utilization of Initial Public Offer (IPO) Funds till March 31,2009

(Amounts in Rs. Lakhs)

Details	**2008-09**	2007-08
Proceeds from issue of shares	**14951.03**	14951.03
Less: - Issue Expenses	**1051.53**	1051.53
Net IPO Proceeds	**13899.50**	13899.50
Less: - Utilization of Funds	**8904.20**	8142.57
Balance of IPO Funds	**4995.30**	5756.93
Break up of Balance of IPO Funds :-		
Funds pending utilization and deployed in Working Capital	**2201.80**	2173.67
Funds pending utilization and held as deposits	**2793.50**	3583.26
Total	**4995.30**	5756.93

(Note no: 4 (a) in the notes to the consolidated financial statements)

3. Transfer of Investments

The company acquired entire stake in Redington Gulf FZE ("RGF") effect from April 1, 2004. The total investment of the Company in the aforesaid subsidiary aggregated to Rs.21,412.33 Lakhs.

As part of its strategy in increasing in global footprint and to leverage its existing international presence, the company:-

a) Set up a new wholly owned subsidiary in Mauritius in July 2008 viz. Redington International Mauritius Limited ("RIML") with an initial investment of USD 25,000 (INR equivalent Rs.10.78 lakhs) which in turn set up a wholly owned subsidiary in Cayman Islands viz, Redington International (Holdings) Limited ("RIHL").

b) Transferred without consideration, its entire shareholding in Redington Gulf FZE ("RGF") to RIHL on November 13, 2008. Post this transfer, RGF has become a step down subsidiary of RIML and the Company. As per the applicable guidelines the company has informed the regulatory authorities concerned on the matter.

After the above restructuring the Company's overseas investments, the Company continues to have effective control over all the above subsidiaries and all the economic benefits would accrue to the Company.

(Note no: 4 (b) in the notes to the consolidated financial statements)

4. Minority Interest

On November 18, 2008, a private equity fund invested USD 65 million in the Company's overseas step down subsidiary Redington International (Holdings) Limited for a 27.17% stake. Further the step down subsidiary issued and allotted 59035 equity shares to the employees of the Parent Company and its subsidiaries under an Employee Share Purchase Scheme. Consequently the Parent Company's wholly owned subsidiary Redington International Mauritius Limited holds 69.94% stake in the step down subsidiary as on March 31, 2009.

(Note no: 4 (c) in the notes to the consolidated financial statements)

5. Unsecured Loans

During the year, the Company and one of its wholly owned subsidiaries has privately placed Unsecured Redeemable Non convertible debentures with a daily call and put option to meet its working capital requirements.

Bank borrowings of Redington Distribution Pte. Limited and Redington Gulf FZE are secured by hypothecation of inventories, assignment of insurance policies over inventories and continuing corporate guarantees of the Redington (India) Limited.

(Note no: 4 (e) in the notes to the consolidated financial statements)

6. Contingent Liabilities

(Amounts in Rs. Lakhs)

Details	As at March 31, 2009	As at March 31, 2008
a. Guarantees by banks	**740.80**	1420.28
b. Disputed Income Tax / Sales Tax / Customs Duty demands		
- Disputed customs duty	**24.82**	15.27
- Disputed sales tax demand	**172.38**	220.62
- Disputed Income tax demand	**49.88**	115.90
c. Letter of Credit	**2333.12**	2248.37
d. Bills discounted	**5341.40**	4611.60
e. Claims against the Company not acknowledged as debts	**139.20**	91.57
f. Corporate guarantees issued to others	**342.55**	NIL
g. Factoring	**4250.00**	NIL

(Note no: 4 (k) in the notes to the consolidated financial statements)

7. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.1618.79 lakhs (Previous year Rs 101.08 lakhs)

(Note no: 4 (l) in the notes to the consolidated financial statements)

8. Employee Stock Option Plan 2008

As the company follows intrinsic value method of accounting, no compensation costs have been recognized in these accounts as the options have been granted at the prevailing market prices. The Company's overseas subsidiaries accounted for the options granted to their employees on fair value basis as mandated by the local GAAP. Necessary adjustments for Rs.656.20 lakhs have been made in the consolidated financial statements to bring them in line with Indian GAAP.

Out of the options 23,35,973 granted on February 28, 2008, 3,61,393 options lapsed, 2,87,143 options were reissued subsequently and 22,61,723 options were outstanding as on March 31, 2009. These options are subject to graded vesting over a period of 36 months from the date of grant and 50% of the options granted got vested on February 28, 2009. The options are to be exercised within a maximum period of 5 years from the date of vesting.

Out of the lapsed options the Board of Directors at their meeting held on 25th July 2008 and 28th January 2009 had approved grant of 11,000 and 2,76,143 options respectively.

The Board of Directors in their meeting held on January 28, 2009 considered and approved the re-pricing of 19,59,830 options granted under the Company's Employee Stock Option Plan 2008 and are in force, at Rs.130/- per option. Consequent to re pricing of the options there would not be any impact to the profit for the year as the price per option was more than the prevailing market price.

Based on the following assumptions, the fair value of each stock option granted under Employee Stock Option Plan 2008 is

Date of Grant	Feb 29, 2008	July 25, 2008	Jan 28, 2009
Fair Value of Options	171.33	159.71	47.46

Assumptions:

Stock Price: The stock price of the Company is the closing price of the Company's equity share on the NSE on the day prior to the date of grant

Volatility: Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements. It is also important that movements due to abnormal events get evened out. The entity's stocks have been publicly traded from February 15, 2007 on NSE & BSE.

Exercise Price: Options have been granted primarily at a price of Rs.348.05 in the last financial year, which was re-priced at a Market price of Rs.130 on January 28, 2009.

Risk free interest rate: The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Time of Maturity: 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 and the maximum life is the period after which the options cannot be exercised. The fair value of each award has been determined based on different expected lives of the options that vest each year, as if the award were separate awards, each with a different vesting date. A weighted average of 3 vests has been calculated to arrive at the value of the options granted.

Expected Dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the preceeding 2 years to the year of grant.

The impact on the profit of the Company for the year ended March 31, 2009 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:

(Amounts in Rs. lakhs)

	2008-09	2007-08
Profit after tax as per Profit and Loss Account (a)	**15966.13**	13607.37
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	**NIL**	NIL
Less: Employee Stock Compensation Expense as per Fair Value Method	**2569.08**	190.28
Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	**13397.05**	13417.09
Earnings per share based on earnings as per (a) above - Basic	**20.50**	17.48
Earnings per share based on earnings as per (a) above - Diluted	**20.50**	17.47
Earnings per share had fair value method been employed for accounting of employee stock options - Basic	**17.21**	17.23
Earnings per share had fair value method been employed for accounting of employee stock options - Diluted	**17.21**	17.23

(Note no: 4 (n) in the notes to the consolidated financial statements)

9. The Company's overseas step down subsidiary, Redington International (Holdings) Limited, a Company incorporated in Cayman Islands issued and allotted 59035 equity shares at USD 47.84 to the employees of the Parent Company and its subsidiaries under an Employee Share Purchase Scheme. Based on fair values the step down subsidiary has recognized USD 33793/- (INR Rs.15.56 lakhs) being the difference between the fair value and the issue price in the income statement and credited the amount to equity as mandated by IFRS. Adjustment as per Indian GAAP has not been done as the amount is not significant.

(Note no: 4 (o) in the notes to the consolidated financial statements)

10. Accounting for Financial Instruments

The Parent Company has recognized Mark to Market (MTM) Losses of Rs.11.37 lakhs (PY - Rs.69.67 Lakhs) as of March 31,2009 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. The Parent Company and its subsidiaries has not taken any forward contract for speculative purposes.

(Note no: 4 (s) in the notes to the consolidated financial statements)

11. Events occurred after Balance Sheet Date

(i) On April 24, 2009, 400 equity shares of Rs. 10/- each fully paid up were issued and allotted pursuant to the exercise of stock options under Employee Stock Option Plan 2008.

(ii) The Board of Directors at their meeting held on May 22, 2009 has approved the re-pricing of 75,000 options granted and are outstanding under Redington Employee Stock Option Plan 2008 at Rs. 165/- subject to regulatory compliances if any.

(iii) The Board of Directors at their meeting held on May 22, 2009 has also approved the grant of 25,000 options under Redington Employee Stock Option Plan 2008 at Rs. 165/- to one of the non-executive Directors of the Company.

(Note no: 4 (t) in the notes to the consolidated financial statements)

12. 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.

ii) Name 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.43.08 Lakhs (2007-08 Rs.48.00 Lakhs) (Key Management Personnel of Parent Company). Rs.454.87 Lakhs @ (2007-08 - Rs.334.45 Lakhs) (Key Management Personnel of Overseas subsidiaries). The Company's overseas step down subsidiary Redington International Holdings Limited granted 21000 shares to Managing Director / Deputy Managing Director / Whole Time Director under Employee Share Purchase Scheme at USD 47.84 per share.

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

iv) Nature of Transactions

(Amounts in Rs. Lakhs)

Nature of transaction	Party where control exists	
	2008-09	2007-08
Redington Employee Share Purchase Trust		
Interest Expense	NIL	NIL
Interest Income	0.95	1.25
Trust Expenses	1.17	1.44
Loan granted	46.28	25.50
Loan repaid	NIL	18.00
Loan outstanding	53.78	7.50
Amount Receivable at the end of the year	0.76	0.99

(Amounts in Rs. Lakhs)

Nature of transaction	Parties with Significant Influence	
	2008-09	2007-08
Redington (Mauritius) Limited		
Dividend Paid	1186.56	847.54
Synnex Mauritius Limited		
Dividend Paid	771.34	550.95

(Note no: 4 (v) in the notes to the consolidated financial statements)

13. Ratios

(i) Sales to total assets ratio - 4.19 (Previous Year - 4.92)

(ii) Operating Profit / Closing Capital Employed - 14% (Previous Year - 16.54%)

(iii) Return on Closing Net worth - 15.37% (Previous Year - 18.86%)

(iv) Profit to Sales ratio - 1.26%(Previous Year - 1.25)

14. Previous year figures have been regrouped to conform to current year classifications

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

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 22, 2009

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	6.91	25.70	13.79	-	6.00	2.77	1.00	1.77	-	INDIA
2	Redington (India) Investments Private Limited	INR	1.0000	5.00	5.88	11.02	0.14	-	-	0.53	0.16	0.37	-	INDIA
3	Easyaccess Financial Services Limited	INR	1.0000	8,203.00	838.18	33,931.12	24,889.94	-	2,773.11	1,069.15	366.39	702.76	-	INDIA
4	Cadenswoth (India) Limited	INR	1.0000	130.13	1,080.62	1,302.29	91.54	-	619.51	35.30	13.78	21.52	-	INDIA
5	Redington Bangladesh Limited	TAKA	0.7715	23.15	5.94	33.51	4.42	-	-	0.20	0.07	0.13	-	BANGLADESH
6	Redington Distribution Pte. Limited	USD	50.7200	2,028.80	1,964.17	12,790.87	8,797.90	-	74,760.08	709.76	133.81	575.95	-	SINGAPORE
7	Redington Gulf FZE	AED	13.8100	1,657.20	49,360.21	143,706.13	92,688.72	-	561,775.99	9,217.22	24.59	9,192.63	-	UAE
8	Redington Gulf and Co. LLC	RO	131.75	197.63	10.76	835.30	626.91	-	601.56	28.97	-	28.97	-	OMAN
9	Redington Nigeria Limited	NN	0.3444	34.44	(941.52)	12,138.31	13,045.39	-	48,537.39	(1,122.50)	-	(1,122.50)	-	NIGERIA
10	Redington Egypt Limited	LE	5.49	2.75	55.03	1,835.51	1,777.73	-	4,542.84	22.46	4.99	17.47	-	EGYPT
11	Redington Kenya Limited	SH	0.6328	6.33	(1,028.90)	9,074.58	10,097.15	-	25,887.48	(1,038.97)	22.91	(1,061.88)	-	KENYA
12	Cadensworth FZE	AED	13.8100	138.10	3,298.92	3,793.73	356.71	-	1,835.87	128.56	-	128.56	-	UAE
13	Redington Middle East LLC	AED	13.8100	41.43	967.96	5,933.38	4,923.99	-	51,639.12	322.20	-	322.20	-	UAE
14	Redington Qatar WLL	QR	13.9300	27.86	524.50	802.07	249.71	-	1,646.23	215.40	34.30	181.10	-	QATAR
15	Redington Africa Distribution FZE	AED	13.8100	138.10	111.18	14,892.80	14,643.52	-	78,334.77	(450.20)	-	(450.20)	-	UAE
16	Redington Arabia Limited	SR	13.4810	134.81	743.94	2,447.39	1,568.64	-	3,725.66	79.34	29.79	49.55	-	SAUDI ARABIA
17	Redington Bahrain SPC	BD	134.5700	67.29	(67.95)	245.82	246.48	-	357.00	(24.33)	-	(24.33)	-	BAHRAIN
18	Redington Qatar Distribution Company W.L.L.	QR	13.9300	27.86	(44.50)	57.52	74.16	-	201.16	(40.40)	-	(40.40)	-	QATAR
19	Redington International (Holdings) Limited	USD	50.7200	7.54	76,410.47	76,425.23	7.22	-	-	(4.14)	-	(4.14)	-	CAYMAN ISLANDS
20	Redington International Mauritius Limited	USD	50.7200	12.68	(7.84)	9.18	4.34	-	-	(7.12)	-	(7.12)	-	MAURITIUS
21	Redington Kenya EPZ Limited	SH	0.6328	0.63	(45.72)	1,605.56	1,650.65	-	1,404.64	(46.30)	-	(46.30)	-	KENYA

Redington Limited, Ghana, Redington Uganda Limited, Uganda, Africa Joint Technical Services, Libya and RGF Private Trust Company Limited, Cayman Islands have been incorporated during the year and are yet to commence 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.

Awards and Recognitions

Redington has won several awards throughout the year in a variety of segments. Given below are awards from some of the noted businesses in the country.

RGF:

- No.1 Distributor of the Year, ranked by *Channel Middle East*
- APC - Best Distributor Award 2008
- Retail Distributor of the Year - ME Retail Academy Awards
- Retail Distributor of the Year - Channel Awards 2008
- The Best After Sales Service Provider Award for 2008, awarded by *Value Added Reseller* magazine

Novell

- Best Business Development 2008 - All India

Sonicwall

- Best Distributor 2008

Sun Microsystems

- Best Emerging Partner of the Year - 2008

CA Software

- Best Distributor 2008

IBM Enterprise

- Best Software Group Asia-Pacific VAD – IBM Software - 1H 2008
- Best Performing VAD – IBM Software - 1H2008
- Best Software Group VAD of the Year – IBM Software 2008
- Best Value Added Distributor – IBM pSeries, Storage 1H2008
- Business Partner Excellence Award – India, South Asia - IBM 2008
- AP Business Partner Excellence Award – Competition winback - IBM pSeries, Storage 2008
- Best STG Cross Brand Distributor – IBM pSeries, Storage, iSeries 2008

CISCO

- Top Distributor Award for FY '08 in the East and West region

HP Enterprise

- Enterprise nMFT Recruitment and Development 2008
- TSG Enterprise and Commercial Growth 2008

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REDINGTON

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