REDINGTON

Supply Chain Solutions

Mobility

Connectivity

Dependability

Annual Report 2009-2010

MOBILITY... CONNECTIVITY... DEPENDABILITY...

Mobiilty, Connectivity, Dependability - At Redington, this defines the driving force and the model for business excellence, in supply chain solutions. With a distribution network spread across South Asia, Middle East and Africa and a market penetration of more than 18 countries, the Company is amongst the largest, supply chain solution providers to over 75 leading manufacturers of Information Technology, Telecom, Lifestyle and Consumer Electronics Products, worldwide .

Supported by a wide and well connected distribution network of more than 23,600 channel partners, team of trained and talented workforce and Automated Distribution Centres, Redington has drawn up plans to take its place amongst the key world class, supply chain solution providers.

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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	Bank of Nova Scotia Barclays Bank PLC BNP Paribas Citibank N.A. DBS Bank Limited 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 The Royal Bank of Scotland Union Bank of India Yes Bank Limited
Registered Office	SPL Guindy House, 95, Mount Road, Guindy, Chennai - 600 032. Tel : + 91 44 4224 3352, 4224 3353 Fax : + 91 44 2235 2790
Website	www.redingtonindia.com

LETTER FROM THE MANAGING DIRECTOR

Dear Shareholders,

The year that has passed by was a challenging year for your Company. While the western economies are showing signs of gradual recovery, the developing economies demonstrated a smarter and quicker turn-around. However, overall recovery is still at a nascent stage and many economies are still experiencing the after-effects of the global meltdown.

Your Company's persistent belief in the growth opportunities in emerging economies of India, Middle East and Africa has been vindicated by a strong recovery in these markets. The new decade looks set to fulfill the promise that these countries would finally emerge as the new drivers of the World Economy on the back of their expanding markets and growing prosperity. These governments have made determined efforts towards accelerated growth, by encouraging businesses through special packages and massive investments in infrastructure.

Your Company managed to continue its growth, despite the challenges posed by the entire business eco-system. The unstinted support of all stake-holders has been a key element in enabling your Company overcome difficulties posed by the global financial crisis, a liquidity crunch that followed, the Dubai debt crisis and the slowdown in overall demand for the products distributed by it.

We ended Fiscal 2010 by posting a consolidated turnover of Rs. 13,779 Crore, a Y-o-Y growth of 9% despite sluggish demand, postponement of purchases by consumers and increased competition. The Company's disciplined approach towards offering value added solution to customers, prudent risk management, efficient working capital norms and controlling the cost of operations has resulted in the consolidated profit after tax (before Minority interest) growing by 25% to Rs. 212 Crore and profit after tax (after Minority interest) going up by 15% to Rs. 184 Crore.

The Board of Directors has recommended a final Dividend of Rs. 5/- per share for fiscal 2010. In order to improve the liquidity of your Company's equity shares in the Stock Exchanges, your Company's Board of Directors have approved (subject to member's approval) the proposal for 5:1 stock split.

The highlight of the year under review was the month-on-month growth in sales of **"Blackberry"** smart phones. Smart phones as a category among the mobile phones is experiencing sustained growth even while other categories are showing a slow down. This was possible due to our strong presence in servicing Retail space and appointment of a highly committed business partners.

This success has demonstrated to global telecom handset vendors the inherent advantages of an alliance with a strong distribution partner where earlier they were entirely dependent on telecom service providers.

In order to strengthen its smart phone initiative, your Company is investing in building a support services infrastructure that will specifically cater to **"Blackberry"** smart phone customers in India. It is proposed to set these centres in 10 cities for a start.

While our relationship with **Nokia** started in Nigeria two years back, today we distribute Nokia products in Kenya and Ghana as well. In last fiscal year, we were the leading partner for Nokia in Nigeria, which is a large market for mobile handsets. For the Company, revenue from sale of Nokia products crossed USD 250 Million for the first time last year.

The Central and State Governments in India have committed huge investments in the area of e-governance. These orders are normally complex in nature and demand high quality execution skills. To support our partners engaged in execution of these orders, your Company has put in place a dedicated project team. The buoyancy in this space and your Company's intense engagement with key partners was an important element for your Company's success even during the difficult phase of slowdown last fiscal year and continues to provide opportunities in the coming years as well.

A key addition to our Vendor bouquet last fiscal year was **Dell** in Middle East (ME). **Dell** was seeking a change from their "All Direct" business model to partnering with distributors. Partnering **Dell** not only added significant revenue during a difficult year, but is likely to play a significant strategic role in future too. Our strong presence in ME retail space made this tie-up possible.

Once more, supported by the highest category-rating from CRISIL / ICRA for short-term debt program, your Company could raise funds at very attractive interest rates. The edge in interest rate vis-à-vis the competitors provided your Company a great advantage in the market place. Sufficient funds were available even during the tough phase of tight liquidity condition in the debt market. I am sure you will feel happy to know that your Company did not forego any business opportunity due to non-availability of funds during this period.

Easyaccess Financial Services, the finance arm of your Company has turned in a good performance by extending finance in the form of receivables factoring and extended credit (Channel Finance) to your Company's channel partners and other customers, recording another good year of accelerated profit growth and an enviable position of "Nil" non-performing assets for the second year in succession. With increased equity investment in December 2009, Easyaccess Financial Services is poised to scale greater heights in the years to come.

I am happy to share that your Company's first **Automated Distribution Centre** (ADC) at Chennai is operational since last year. With 225,000 pallet sq. ft. at its disposal and an effective warehouse management system operational, your Company is well poised to access opportunities in the fast-growing Third Party Logistics (3PL) space. ADC in Dubai would be operational in September this year. Work in the Kolkata ADC has commenced and is likely to be operational by the early part of next year.

Your Company had identified Africa as a potential market in the early part of 2000 itself. With a good presence in West and East Africa, there is a conscious move towards North Africa in the last few quarters. In the year under review, subsidiaries were set-up in Morocco and Libya. We expect all these new initiatives to contribute in a big way to our revenue in future years.

With the conclusion of the broadband spectrum auction in India and entry of large players, connectivity is bound to increase dramatically. In an industry study conducted, it was found that unavailability of connectivity was a major handicap in increasing PC penetration in India. Currently, there are about 8.75 Million broadband connections in India. This is estimated to move beyond 214 million connections by 2014 (Source: CII (Broadband) Report) giving a big push to PC and mobile devices penetration. Your Company is well positioned to take advantage of this opportunity.

It is rightly said that circumstances can change very quickly in the IT market and nowhere is that more evident than in distribution space. However, I am confident that your Company's well thought-out and clear business objectives and strategies would enable it to continue meeting its growth objectives in foreseeable future.

Our ambition is to be the leading distribution player in all the markets where we have presence and increase the shareholder return. With the support from our experienced Board members and the committed team of professionals, I feel confident of meeting this goal.

At the end I would like to thank all our constituents for their support and more specifically to our Promoter shareholders, other shareholders and employees for the impeccable trust they have reposed on the Company. Together we shall march ahead with confidence.

R. Srinivasan

R. Srinivasan
Managing Director

Chennai
May 21, 2010

FIVE YEARS AT A GLANCE

Standalone Financials

(Rs. in Crore)

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06	CAGR
Total Revenue	**6,459.88**	6,071.64	5,780.27	4,717.53	3,696.62	15%
EBIDTA	**201.60**	173.87	148.25	101.76	68.90	31%
PBT	**153.16**	124.25	103.57	65.63	45.33	36%
PAT	**99.46**	80.69	67.11	42.42	29.14	36%
Networth	**675.98**	614.39	569.56	535.02	367.63	
Capital Employed	**1,051.50**	904.29	821.82	852.09	566.96	
EBIDTA / Revenue	**3.12%**	2.86%	2.56%	2.16%	1.86%	
PAT / Revenue	**1.54%**	1.33%	1.16%	0.90%	0.79%	
Return on Average Capital Employed *	**31.67%**	31.20%	25.87%	19.85%	20.45%	
Return on Average Equity *	**38.97%**	29.76%	24.60%	17.91%	17.45%	
EPS (Rs.) #	**12.68**	10.36	8.62	6.41	4.79	
Book Value per Share (Rs.)	**85.96**	78.90	73.15	68.71	58.28	

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

* Investments made in Subsidiaries are excluded

Consolidated Financials

(Rs. in Crore)

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06	CAGR
Total Revenue	**13,778.65**	12,683.14	10,883.81	9,067.14	6,795.52	19%
EBIDTA	**365.72**	329.57	259.04	198.47	131.06	29%
PBT	**275.92**	219.02	177.06	127.25	92.36	31%
PAT	**184.33**	159.66	136.07	101.70	74.34	25%
Networth	**1,075.72**	1,002.20	721.49	625.61	432.86	
Capital Employed	**2,464.85**	2,226.51	1,505.44	1,226.88	911.26	
EBIDTA/Revenue	**2.65%**	2.60%	2.38%	2.19%	1.93%	
PAT/Revenue	**1.34%**	1.26%	1.25%	1.12%	1.09%	
Return on Average Capital Employed *	**16.25%**	18.50%	18.86%	18.19%	18.80%	
Return on Average Equity *	**23.04%**	22.54%	21.68%	21.27%	23.47%	
EPS (Rs.) #	**23.51**	20.50	17.48	15.36	12.23	
Book Value per Share (Rs.)	**136.80**	128.71	92.66	80.34	68.62	

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

* For FY 10 and FY 09, investment from Investcorp held as Fixed Deposit, amounting to USD 50 Mn have been excluded. While calculating return on average capital employed and return on average equity, goodwill has been excluded / capital reserve has been included appropriately.

Note:

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

DIRECTORS' REPORT

To the Members,

Your Directors are delighted to present their Seventeenth Annual Report on the business and operations of the Company along with the abridged standalone and consolidated accounts for the year ended March 31, 2010. Copies of the unabridged accounts are available on written request to the Company Secretary at the Registered Office and at the venue of the Annual General Meeting.

Financial Highlights **(Rs. In Crore)**

Particulars	**Consolidated**		**Standalone**	
	2009-10	2008-09	**2009-10**	2008-09
Net Sales /Income from operations	**13757.75**	12668.27	**6449.61**	6066.16
Other Income	**20.90**	14.82	**10.27**	5.28
Total Revenue	**13778.65**	12683.09	**6459.88**	6071.44
Total Expenditure				
a) Cost of goods sold	**13033.14**	12005.69	**6085.26**	5720.55
b) Trading Expenditure	**34.93**	32.48	**19.55**	17.43
c) Staff Cost	**165.50**	150.27	**79.78**	75.81
d) Other Expenditure	**179.36**	165.08	**73.69**	83.78
Profit before Interest, Depreciation and Tax (EBIDTA)	**365.72**	329.57	**201.60**	173.87
Interest	**66.37**	97.82	**33.04**	44.91
Depreciation	**23.43**	12.73	**15.40**	4.71
Profit before Tax (PBT)	**275.92**	219.02	**153.16**	124.25
Provision for Taxation	**63.90**	49.98	**53.70**	43.56
Profit after Tax (PAT)	**212.02**	169.04	**99.46**	80.69
Minority Interest	**27.69**	9.38	**NIL**	NIL
Net Profit for the year	**184.33**	159.66	**99.46**	80.69

During the year under review, there has been a moderate growth in terms of turnover by 9%, EBIDTA by 11% and an interesting growth in PAT by 15% over the previous year on consolidated basis.

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

			(Rs. in Crore)
Balance in Profit and Loss Account brought forward	:		189.70
Less: Dividend for the year 2008-09 including Dividend Distribution Tax for additional equity shares allotted under the ESOP Scheme after the closure of the financial year			0.28
			189.42
Add: Profit for the year 2009-10			99.46
Profit available for appropriation	:		288.88
Less: Proposed Dividend @ Rs.5/- per share (i.e. 50%) for the year ended 31st March 2010	:	39.42	
Dividend Distribution Tax thereon	:	6.55	
Transfer to General Reserve	:	9.95	55.92
Balance in the Profit and Loss Account to be carried forward	:		232.96

DIVIDEND

Considering your Company's financial performance, the Directors have recommended a dividend of Rs. 5/- per share (i.e. 50%) for the year under review as compared to Rs. 4/- per share (i.e.40%) in the previous year.

PERFORMANCE

FY'10 was the 17th year of your Company's Indian operations and in all these 17 years the company has shown significant growth in revenue and profit year on year. The members would be happy to note that even in the difficult year under review, the growth was maintained.

The Consolidated revenue of your Company was Rs. 13,778.65 Crore as against Rs.12,683.09 Crore in the previous year with a CAGR of 19% for five years. The Consolidated net profit for the year under review was Rs. 184.33 Crore as against Rs.159.66 Crore in the previous year with a CAGR of 25% for the last five years.

The Stand alone revenue of your Company was Rs. 6,459.88 Crore as against Rs. 6,071.44 Crore in the previous year with a CAGR of 15% for five years and the profit after tax was Rs. 99.46 Crore as against Rs. 80.69 Crore in the previous year with CAGR of 36% for the last five years.

The Earnings Per Share (EPS) on consolidated basis (based on weighted average number of shares) increased to Rs. 23.51 in the year under review as compared to Rs. 20.50 in the previous year. EPS on standalone basis has increased to Rs. 12.68 from Rs. 10.36 in the previous year.

DISTRIBUTION BUSINESS

INFORMATION TECHNOLOGY PRODUCTS

Following the global meltdown, there was slowdown in the sale of IT products until the first half of the year under review. On the back of gradual recovery of business sentiments during the second half of the year under review, the sales growth picked up and enabled your Company to show positive growth for the full year.

Your Company has adopted various strategies to maintain its overall growth objectives by adding key vendors to its portfolio and intensifying its focus in tier II cities and towns setting the base for accelerated growth in the ensuing years.

The aggressive pace of both the Central and State Governments to drive their e-governance projects and increased budgetary allocation for the education and health sector is expected to stimulate demand for IT products. Strong traction in desktop sales, continued consumer confidence and a revival in IT spend spurred personal computer (PC) sales during the January-March 2010 quarter, recording 33% year-on-year growth (IDC Research).

It is expected when most budget announcements are translated into actual expenditure, it would trigger huge demand for IT products. Your Company is poised to exploit all these opportunities to its advantage with a clear focus on growth areas.

Tie-up with key vendors to complement the product bouquet has always been an important growth strategy for your Company and last fiscal was significant from this point of view, with the addition of Oracle, D-Link, LG-Nortel, RSA Security, Iomega, Citrix, Lifesize Communications, NComputing, NetApp, Array Network, Ricoh and Fujitsu.

Your Company's overseas subsidiaries have signed new distribution contracts with vendors like Dell, Fujitsu and Lenovo in the Systems space for select countries in Middle East and Africa and also signed new contracts with vendors like Juniper Networks, Check point Software, Netgear, Coral Telecom, Ascom and Molex in the value added distribution space.

During the financial year under review, your Company has added more than 2,000 channel partners in India. As of 31st March 2010, your Company along with its subsidiaries has more than 75 brands, 23,600 channel partners, 78 warehouses and 68 sales offices.

NON-INFORMATION TECHNOLOGY PRODUCTS

In the NON-IT products space, your Company currently has presence in Digital Lifestyle, Telecom, Consumer Electronics and Digital Printing industry. Your Company's decision to venture into verticals other than IT products had enabled it to grow its revenue even during a difficult and challenging year. Today, your Company is a Supply Chain Solutions player for many products, though IT products currently constitute a major share to the Company's total revenue.

Digital Lifestyle Products

Until previous year, your Company was distributing products like Apple Mac Notebooks, Apple Ipods, Microsoft Xbox gaming consoles and gaming contents.

During the year under review, your Company has added MapmyIndia's navigation devices & Jabra's wireless telecom accessories. With the highway travel becoming increasingly popular in the country, MapmyIndia's navigation GPS devices loaded with India's best maps and satellite based voice guided navigation ensuring safe travel, would be in high demand in future.

Telecom

During the year under review, telecom products such as Blackberry smart phone in India and inclusion of more territories for distributing Nokia hand sets in Middle East and Africa, enabled the Company to sustain its growth strategy.

India is now the second largest mobile market in the world after China, with about 400 million mobile users. According to Cellular Operators Association of India's (COAI) projection, there will be 1240 Million mobile users in 2015 - which means one phone for every Indian.

The demand for Blackberry Smartphones has been encouraging in the year under review. Your Company's strong relationship with large retail store customers has enabled it to show consistent monthly growth both in terms of units sold and sales revenue.

Your Company has recently tied up with LG electronics for distribution of their mobile phones in the Tamilnadu market. This gives us entry into the high growth mobile handset space.

Your Company's MEA operations have obtained a new distribution contract from Nokia for Ghana market. The volumes have been scaled up significantly in Nigeria and Kenya through better reach and coverage. Your Company's subsidiary, Redington Gulf FZE, has been honoured with the No.1 distributor position for Nokia products in Sub-Saharan Africa and has also been awarded the best distributor for Nokia products in East and West Africa.

Consumer Electronics

India, being a vast market with a strong consumer base and a growing interest in life-style products, the Company has extended its experience in distribution of technology products to Consumer Electronics products as well.

The sale of Consumer Electronics products has shown an increased growth percentage every year. When the Industry has grown by 15% during the year under review, compared to previous year, the revenue from sale of consumer electronics products to your Company has grown by 65%. This was possible with the immense support received from the trade partners and the vendors.

Within a short span from the start of consumer durable business your Company has expanded its branch network for sale of consumer electronics products to 14 cities with a market base of about 2,500 channel partners.

With an objective to become a one-stop shop for retailers, your Company has entered into partnerships with vendors like LG, Whirlpool, Godrej etc in the Consumer Electronics space.The addition of Godrej consumer appliances during this year under review is a welcome addition in this segment.

Digital Printing

In early 2005, your Company, joined hands with HP Indigo and started distribution and after sales service of Digital Printing machines. Currently your Company has about 80 HP Indigo printing machines operating in India in the Commercial and Industrial printing segments and continues to grow with printing turning 'Digital'.

For short-run jobs, Digital Printing Machines are more cost effective compared to conventional offset printing machines, while providing much quicker “turn-around-time” for such jobs.

The unique establishment of Redington’s “HP Indigo Digital Press Demo Centre” and its “Indigo Training Facility” in Chennai demonstrates your Company's strong commitment to its customers in the graphic arts and digital publishing industry in India. The Demo centre is the fifth such centre for HP Indigo globally.

AFTER SALES SERVICES BUSINESS

Your Company enhanced its after sales service support from existing warranty and post warranty support for IT and Telecom products to pre-sale and post sale support for enterprise products. These services include pre sale technical support, design, installations, remote technical support and 24x7 on-site support. Your Company could carve out more business from existing customers and vendors by providing superior services and ensuring customer satisfaction. Your Company extended and strengthened its support network by adding more locations. Your Company delivers services to customers through 48 owned service centres (Previous Year - 43) and 220 partner service centres (Previous Year - 211) in India. In MEA markets, your Company's subsidiaries have 20 owned service centres (Previous Year 18) and 15 partner service centres (Previous Year 15).

Complementing the new initiative in the distribution space, your Company's service unit extended its support services to new telecommunication vendors as well. Today, Blackberry customers can avail services at 27 locations across the Country and efforts are on to extend these services from more locations. To provide a new experience to the customers of Blackberry smart phones, your Company is planning to invest in Blackberry exclusive service centres in large cities. One such centre is already operational at Chennai during the year under review.

Your Company's Service Division started their Remote Infrastructure Management Services from their new Network Operations Centre (NOC) at Chennai. Through this facility we can remotely manage services of our corporate customers using advanced technology. Your Company will extend this support to IT as well as Telecom enterprise customers.

Your Company also provides L1,L2,L3 and L4 services and offer warranty and post warranty repair support for Mobile Handsets(GSM and CDMA), Fixed Wireless Phones (FWP), Fixed Wireless Terminals (FWTs) and Personal Digital Assistant (PDA).

The Company's strong forward and reverse logistics capabilities enable spare parts to reach nook and corners of India on time and timely return of defective units to the supplier. Certification Body of TUV SUO Management Service GmbH has certified that your Company’s After Sales Services has established and applied a Quality Management System for its services.

Your Company's overseas subsidiary in MEA has established 3 new service centers in that region. All these service centers in the region have been accredited ISO 9001:2008 quality rating. The subsidiary has been given “The Best After Sales Service Provider Award” by Value Added Reseller (VAR), a leading channel magazine in the Middle East.

SUPPLY CHAIN SOLUTIONS

Automated Distribution Centre

The first ADC in Chennai has started operations effective last fiscal. In Dubai, the work on the state-of-the-art 100,000 sq ft ADC at Jebel Ali Free Zone is nearing completion and is expected to be operational by middle of the current year 2010-11. Your Company has initiated steps to set-up an ADC in Kolkata and is expected to be operational by early part of 2011.

Commencing operations from these network of ADCs is expected to enhance productivity in throughput and enable tie-up for third party logistics services.

The transition to the new automated warehousing facility at Chennai has been smooth with zero variance in stocks and minimal loss of operations time.

Third Party Logistics (3PL) Services

The year under review was a challenging one for the 3PL business. Economic slow down resulted in reduced inventories and volume for the companies in various industries with a corresponding impact in 3PL operations. Many Corporates looked at cutting down supply chain related cost in order to maintain margins. The cost assumed higher importance than the quality of service and speed of delivery.

However, your Company was able to maintain an edge over competition to retain contracts with leading brands like Cadbury, Sonicwall, Vodafone and Kuehne+Nagel and established its presence in the market place. During the year under review, the Company signed up with IFB and Girias (Large Format Retailer) for 3PL services.

SUBSIDIARY COMPANIES

The Company has 29 subsidiary companies as on March 31, 2010.

During the year under review, your Company's Indian and Overseas direct and step down subsidiary companies have made excellent contribution to the consolidated revenue and earnings' growth.

a. Indian Subsidiaries:

M/s. Easyaccess Financial Services Limited, a Non-Banking Finance Company which predominantly provides finance to your Company's Channel partners in the IT Distribution Industry, commenced undertaking a significant factoring business for non-Redington related customers widening its horizons and reach as a good value proposition initiative.

Your Company has increased its investment in this wholly owned subsidiary from Rs. 83 Crore to Rs. 221 Crore during the year under review in order to comply with the minimum capitalisation requirement prescribed in Foreign Direct Investment (FDI) guidelines. Under FDI guidelines, it is mandatory for an FDI company to invest a minimum of USD 50 Million in its wholly-owned NBFC before completion of two years from the start of NBFC operations.

The company has shown an excellent growth of 83% by earning post tax profits of Rs.12.90 Crore during 2009-10 (previous year post tax profits Rs. 7.03 Crore) and is showing great potential going forward.

M/s. Nook Micro Distribution Limited has changed its name from M/s.Nook Holdings Limited in line with the object of the company to engage in Micro Distribution of IT and Non-IT products in smaller cities and towns.

b. Overseas Subsidiaries:

Your Company's step down subsidiary M/s. Redington Gulf FZE incorporated three subsidiaries viz. M/s. Redington Morocco Ltd, Morocco, M/s. Redington Tanzania Ltd, Tanzania and M/s. Cadensworth UAE LLC, Dubai, UAE. Your Company's wholly owned subsidiary in Singapore, M/s. Redington Distribution Pte Ltd., has incorporated a subsidiary in Srilanka in the name of M/s. Redington (SL) Private Ltd.

Your Company's overseas operations, which are being carried out by the subsidiary companies, are in tune with their business plans and they have enabled your Company to continue with its growth momentum.

As required under the Listing agreement with the Stock Exchanges, the Company has prepared the Consolidated Financial Statements, according to the applicable Indian Accounting Standards. Your Company provides the consolidated financial statements alongwith the standalone financial statements to the investors.

An application made by the Company under Section 212(8) of the Companies Act, 1956, to the Central Government for exempting the Company from attaching a copy of the Balance Sheet and the Profit and Loss Account of the subsidiary companies and other documents to be attached under Section 212(1) of the Act to the Annual Report

TELECOM JOURNEY AT REDINGTON

Blackberry Smart phones in India and inclusion of more territories for distributing Nokia handsets in Africa, enabled the Company to sustain its growth strategy. Tied up with LG Electronics for distribution of their mobile phones in Tamilnadu market.

of the Company. A statement containing salient financial figures of the subsidiary companies is contained in the report.

CREDIT RATING

Your Company continues to enjoy the highest rating 'P1+' (read as P one plus) and 'A1+' (read as A one plus) for short term borrowings from CRISIL and ICRA (Credit Rating Agencies) respectively for Rs. 600 Crore, indicating very strong financial position. As part of the rating requirements under the Basel II norms for working capital facilities from banks, your company is rated 'P1+' and ' A+/Stable' by CRISIL and '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 and 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. The details of the options granted under Redington (India) Limited - Employee Stock Option Plan - 2008 are given in Annexure - A.

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.

UTILIZATION OF THE INITIAL PUBLIC ISSUE PROCEEDS

In the financial year 2006-07, your Company went to the Indian capital market with an Initial Public Offer (IPO) and mobilized funds (net of issue expenses) aggregating to Rs. 138.99 Crore for meeting its various objectives, which includes setting up Automated Distribution Centres and High Level Repair Centres.

A sum of Rs. 132.46 Crore has so far been utilized for the objectives stated in the offer document and the balance amount is expected to be deployed within the next two years, for which the Company is approaching the shareholders for approving the extension of time.

SHARES IN DEMAT SUSPENSE ACCOUNT:

During the Company's Initial Public Offer, 120 shares allotted to two shareholders, inter alia, got rejected by the Depositories due to want of sufficient/ correct information. These shares are lying unclaimed by the shareholders and kept in a Demat Suspense Account maintained with a Depository Participant. The Company has been making efforts to get the details from the investors and credit these shares to their accounts.

DIRECTORS

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

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 2010 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.

CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's auditors confirming compliance of Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement with the Indian Stock Exchanges is included in the Annual Report.

PARTICULARS OF EMPLOYEES

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 particulars under section 217(2A). Any member interested in obtaining a copy of the statement may write to the company.

AUDITORS

M/s Deloitte Haskins & Sells (DHS), who are the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them for the Financial Year 2010-11. Deloitte Haskins & Sells have, under Section 224(1)(B) of the Companies Act, 1956, furnished a certificate of their eligibility for re-appointment and also a confirmation that they have been peer reviewed by the Institute of Chartered Accountants of India.

FOREIGN EXCHANGE

Your Company's earnings / outgo in foreign currencies are outlined in the notes to the Annual Accounts.

ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all the employees of the Company and its subsidiaries and step down subsidiaries for their collective contribution to the Company's performance. The Directors would also like to thank the employees, shareholders, customers, channel partners, suppliers, bankers, Government and all the other business associates for the continuous support given by them to the Company.

On behalf of the Board of Directors

Place : Chennai
Date : May 21, 2010

J. Ramachandran
Chairman

Annexure - A

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	2,648,116 (includes 312,143 lapsed options granted subsequently)
2	The Pricing Formula	Market price or such price as decided by the Board
3	Number of options vested	1,575,656
4	Number of options exercised	770,220
5	Total number of shares arising as a result of exercise of options	770,220
6	Number of options lapsed	426,528
7	Variation in terms of options	Out of the Options granted on 29 Feb 2008, 75,000 Options granted to the non executive directors were repriced from Rs.348.05 to Rs.165/- pursuant to the resolutions passed on 22nd May 2009 by the Board of Directors.
8	Money realised by exercise options	Rs.101,222,350
9	Total number of options in force	1,451,368

B. Employee-wise details of options granted to:

(i) Senior management personnel

	Name	No. of options granted
Directors	N. Srinivasan	25,000

(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

C. Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20

D. The impact on the profits and EPS of the fair value method is given in the table below:

	(Rs. in Crore)
Profit as reported	99.46
Add: Intrinsic Value Cost	0.00
Less: Fair Value Cost	8.51
Profit as adjusted	90.95
Earning per share (Basic) as reported	12.68
Earning per share (Basic) as adjusted	11.60
Earning per share (Diluted) as reported	12.55
Earning per share (Diluted) as adjusted	11.48

E. Weighted average exercise prices of options whose	a. Exercise price equals market price	165.00
	b. Exercise price is greater than market price	Nil
	c. Exercise price is less than market price	Nil
Weighted average fair value of options whose	a. Exercise price equals market price	79.82
	b. Exercise price is greater than market price	Nil
	c. Exercise price is less than market price	Nil

F. 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	22-May-09
1. Risk Free Interest Rate	6.21%
2. Expected Life	4.25
3. Expected Volatility	60%
4. Dividend Yield	1.46%
5. Price of the underlying share in the market at the time of the option grant (Rs.)	197.50

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.

The time to maturity has been estimated as illustrated by the following example. In case of the grant made May 22, 2009 the earliest date of exercise is one year from the date of grant that is May 22, 2010. 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, Remuneration and Compensation Committee, other relevant records/documents and the books of account of the Company for the year ended March 31, 2010.

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 in accordance with the resolution passed in the Board Meeting for repricing the options dated 28th January 2009 and the Securities and Exchange Board of India (ESOS and ESPS) Guidelines, 1999 (the "Guidelines") as amended till March 31, 2010.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 21, 2010

FOCUSING ON MORE VENDOR ADDITIONS

A key addition to our Vendor bouquet last fiscal was Dell in the Middle East (ME), who were seeking a change from their `All Direct' Business model. Partnering Dell not only added significant revenue during the difficult year, but is likely to play a significant strategic role in future too. Our strong presence in ME retail space made the tie up possible.

REPORT ON CORPORATE GOVERNANCE

1. REDINGTON'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company firmly believes that continuous enhancement of stakeholders' wealth can be accomplished only by adhering to high quality governance practices. Redington's policies and plans are framed based on conducting business ethically in all spheres of its operation. The practices are well executed by best expertise on the Board and it enables the business to be more effective and consistent. The well defined ethical standard results in improvement of the human resources, identification of potential risks and method to mitigate the same.

2. BOARD OF DIRECTORS :

Company's management team is effectively structured to achieve long term strategic objectives. The Company's directors have expertise in the field of Business planning, strategy, human resources management and finance. The designation of board includes Managing, Whole- time, Executive, Non- Executive Director and Independent Directors. The Board consists of ten members and the Chairman of the Board is an independent Director.

The Chairman of the Board being a Non - Executive Independent Director, the composition of the Board is optimally structured with 1/3rd of Independent Directors. None of your Directors is a member in more than 10 committees or Chairman of more than five committees. None of the Non - Executive Directors has any material relationship with the company.

During the Financial Year 2009-10, the Board met six times on April 11, 2009, May 22, 2009, July 24, 2009, October 31, 2009, December 12, 2009 and January 25, 2010. The gap between two Board meetings did not exceed 4 months as stipulated in Companies Act, 1956. The maximum interval between two board meetings was well within the prescribed limits of Clause 49. The Board has unfettered right to obtain and access to any information within the company and to any of the Company's employees. As a practice of good Corporate Governance the Board discussed about the issues pertaining to the Company's business prospects and other significant issues occurred during the year.

Table 1: Composition of the Board of Directors

Name	Category	* Directorship in other public Companies	Committees of other Indian Public Companies.		No. of Board Meetings during 2009-10		Whether Attended last AGM
			Membership	Chairmanship	Held	Attended	
Prof. J. Ramachandran	Non- Executive Chairman, Independent Director	7	4	3	6	5	Yes
Mr. R. Jayachandran	Non- Executive Director	1	Nil	Nil	6	3	Yes
Mr. Huang Chi Cheng**	Non- Executive Director	Nil	Nil	Nil	6	1	No
Mr. Tu, Shu - Chyuan**	Non- Executive Director	Nil	Nil	Nil	6	4	Yes
Mr. Steven A Pinto	Independent Director	Nil	Nil	Nil	6	4#	Yes
Mr. William Adamopoulos	Independent Director	Nil	Nil	Nil	6	3#	Yes
Mr. N. Srinivasan	Independent Director	14	5	4	6	5	Yes
Mr. R. Srinivasan	Managing Director	1	1	Nil	6	6	Yes
Mr. Raj Shankar	Deputy Managing Director	1	1	Nil	6	4	Yes
Mr. M. Raghunandan	Whole- Time Director	2	Nil	Nil	6	6	Yes

* Private companies, foreign bodies corporate 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.

** Representing Synnex Limited.

\# Mr. William Adamopoulos attended through tele conferencing for the meeting held on 31st October 2009 and 25th January, 2010. Mr. Steven A. Pinto attended through tele conferencing on 25th January, 2010.

3. AUDIT COMMITTEE :

The Chairman of the Committee is an Independent Director and the majority of the committee members are independent directors. The Chairman of our Audit committee has the accounting and financial management expertise. The core objective of our Audit committee includes

- Reviewing the Company's financial reporting process and disclosure of financial information.
- Periodical interaction with Internal and External auditors
- 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.
- Recommending appointment of statutory auditors for the company and fixing their remuneration
- Review of related party transactions
- Ensuring compliance as per Listing Agreement with respect to financial reporting process.
- Reviewing the Company's risk management and financial policies.
- Reviewing accounting policies and accounting standards applicable to the Company and ensuring compliance in accordance with the requirement of the Companies Act, 1956.

The dates on which the audit committee met were May 20, 2009, July 24, 2009, October 31, 2009 and January 25, 2010.

Table2: Attendance record of Audit Committee:

S.No	Name of the Director	Category	Position	No. of meetings	
				Held	Attended
1	Mr. N. Srinivasan	Independent Director	Chairman	4	4
2	Prof. J. Ramachandran	Independent Director	Member	4	4
3	Mr. Steven A. Pinto	Independent Director	Member	4	3 #
4	Mr. Raj Shankar	Deputy Managing Director	Member	4	4

Mr. Steven A. Pinto attended the meeting held on 25th January, 2010 through tele conferencing. The Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors are regularly invited to attend the Audit Committee meetings.

Mr. M. Muthukumarasamy acted as Secretary of this Committee as well.

4. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE:

The Chairman of the committee is an independent director. The role of this committee is to address investor's complaints pertaining to non receipt of annual reports, Dividend payments etc.

The dates on which our committee met were

May 20, 2009, July 24, 2009, October 31, 2009 and January 25, 2010.

Table3: Attendance record of Shareholders'/Investors' Grievance Committee:

S.No	Name of the Director	Category	Position	No. of meetings	
				Held	Attended
1	Prof. J. Ramachandran	Independent Director	Chairman	4	4
2	Mr. R. Srinivasan	Managing Director	Member	4	4
3	Mr. M. Raghunandan	Whole time Director	Member	4	4

The investors related complaints and their redressal have been provided in the table 4 given below.

Table 4: Complaints status

S.No	Nature of complaint	Received	Addressed	Pending
1	Non receipt of dividend warrants.	3	3	0
2	Non receipt of refund order	1	1	0
	TOTAL	4	4	0

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

5. REMUNERATION COMMITTEE :

The remuneration committee has been constituted with four directors with the Chairman and another Director being an Independent Director. The dates on which the committee met were 22.05.2009, 24.07.2009 and 20.03.2010.

Some of the items discussed by the Committee are given below

- Payment of performance linked Bonus to Whole-time Director.
- Payment of fees for Independent Directors for attending the meeting of the Board
- In addition to payment of sitting fees, Non- executive Independent 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.
- Reviewing the remuneration of the Senior Management team.

Table 5: Attendance record of Remuneration Committee:

S.No	Name of the Director	Category	Position	No. of meetings	
				Held	Attended
1	Mr. Steven A. Pinto	Independent Director	Chairman	3	3
2	Mr. N. Srinivasan	Independent Director	Member	3	2
3	Mr. R. Srinivasan	Managing Director	Member	3	3
4	Mr. M. Raghunandan	Whole-time Director	Member	3	3

Table 6: Details of remuneration paid/ payable to Directors from the period 1st April 2009 to 31st March, 2010.

Name of Director	Salary & Perquisites (Rs. /Lacs)	Commission (Rs./Lacs)	Performance Linked Bonus (Rs./Lacs)	Sitting Fees (Rs./Lacs)	Options granted (Nos)
Prof. J. Ramachandran	-	10.10	-	2.40	25,000
Mr. R. Jayachandran	-	-	-	-	-
Mr. Huang Chi Cheng	-	-	-	-	-
Mr. Tu, Shu-Chyuan	-	-	-	-	-
Mr. Steven A Pinto	-	11.00	-	1.50	25,000
Mr. William P Adamopoulos	-	12.05	-	0.45	25,000
Mr. N. Srinivasan	-	10.60	-	1.90	25,000
Mr. R. Srinivasan	-	-	-	-	1,00,000
Mr. Raj Shankar	-	-	-	-	1,00,000
Mr. M. Raghunandan	23.06	-	16.00	-	76,143
Total	**23.06**	**43.75**	**16.00**	**6.25**	**3,76,143**

FROM AN ENABLER TO A DIFFERENTIATOR

EASYACCESS FINANCIAL SERVICES

Easyaccess, a subsidiary of your Company provides financial support to the channel partners, enabling them to transact large business without any financial constraint. During the year Easyaccess, consolidated its position as a finance provider to around 100 Channel Partners by supporting them in their regular business as well funding them for large government projects. This synergestic partnership served as a good value proposition, benefiting both the channel partners as well as your Company. Plans have been drawn to expand this win-win business model and to increase the role of this subsidiary in your Company's growth strategies.

Table 7: Shareholding of Directors in the Company as on March 31, 2010

Sl. No.	Name of the Director	Category	No. of Shares	% to Equity capital
1	Prof. J. Ramachandran	Independent Director	12,500	0.0158
2	Mr. Steven A Pinto	Independent Director	18,750	0.0238
3	Mr. Raj Shankar	Deputy Managing Director	2,87,018	0.3649
4	Mr. M. Raghunandan	Whole time Director	70,010	0.0890

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

Your Company has laid down a code of conduct for all Board members and senior management of the company with an aim to ensure effective and best business practices and strict adherence to the legal requirements as well. The code of conduct has been posted on the Company's website www. redingtonindia.com.

The Board members and the Senior Management personnel affirmed compliance with the code on an annual basis. A declaration to this effect has been given by the Managing Director as 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 2009-10.

R. Srinivasan
Managing Director

7. GENERAL BODY MEETINGS:

Location and time of last 3 Annual General Meetings:

Year	Location	Date	Day	Time
2008-2009	Narada Gana Sabha, Mini Hall, No.314, T.T.K Road, Chennai -600 018.	July 24, 2009	Friday	02.00 P.M.
2007-2008	Narada Gana Sabha, Mini Hall, No.314, T.T.K Road, Chennai -600 018.	July 26, 2008	Saturday	11.00 A.M.
2006-2007	Narada Gana Sabha, Mini Hall, No.314, T.T.K Road, Chennai -600 018.	July 26, 2007	Thursday	10.00 A.M.

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

No resolutions were passed through Postal Ballot last financial year.

Table 8: Details of Special Resolutions passed in the last three Annual General Meeting.

Year	Special resolutions passed
2008-2009	Approval to amend the clause 6.1, 15 and 21.1 of the Employee Share Purchase Scheme as given below : 6.1 The company shall issue / allot a maximum of 15,52,500 shares under this scheme. In addition to the aforementioned shares, the Trust is entitled to purchase from the open market and transfer to the employees such number of equity shares of the Company as may be determined by the Board/ Compensation Committee from time to time. 15 WITHHOLDING FRINGE BENEFIT TAX All shares issued under the Scheme shall be subject to any applicable taxes (including withholding tax and Fringe Benefit Tax) 21.1 The scheme shall continue to be in effect for a period of 72 months from the "Effective Date" or from the date of approval of variations to the Scheme, if any, unless terminated by the Company or the Group.

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 and expenditure incurred/ to be incurred for procurement of warehouse management software, material handling equipments from internal accruals and temporary borrowings.
2006-2007	Approval for 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.

8. SUBSIDIARY COMPANIES:

Easyaccess Financial Services Limited is a material non-listed Indian Subsidiary as per clause 49 of the Listing Agreement. Prof. J. Ramachandran, Independent Director, of our company is appointed as an Independent Director on the Board of Easyaccess Financial Services Limited with effect from 21st May 2010.

9. DISCLOSURES :

RELATED PARTY TRANSACTIONS:

There were no material related party transactions during the year 2009-10 that are prejudicial to the interest of the company.

RISK MANAGEMENT

Our approach to risk management is to optimize the risk reward balance by building competence and leverage the opportunity. Risk management incorporates an integrated group-wide approach to identify, assess measure, manage, and monitor the risks to which our businesses are exposed. We have a well-defined business contingency plan and disaster recovery plan to address these unforeseen events and minimize the impact on services delivered in India or abroad. A write-up on the above has been given in the Management and Discussion Analysis Report.

PROCEEDS FROM PUBLIC ISSUE

The funds pending utilization have been utilized for the purpose mentioned in the prospectus. The Audit Committee/ Board is updated at regular intervals on the utilization of the IPO proceeds. The Company is approaching the shareholders for approving extended time by two more years to fully deploy the proceeds of the issue

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 four years. There are no penalties or strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authorities relating to the above.

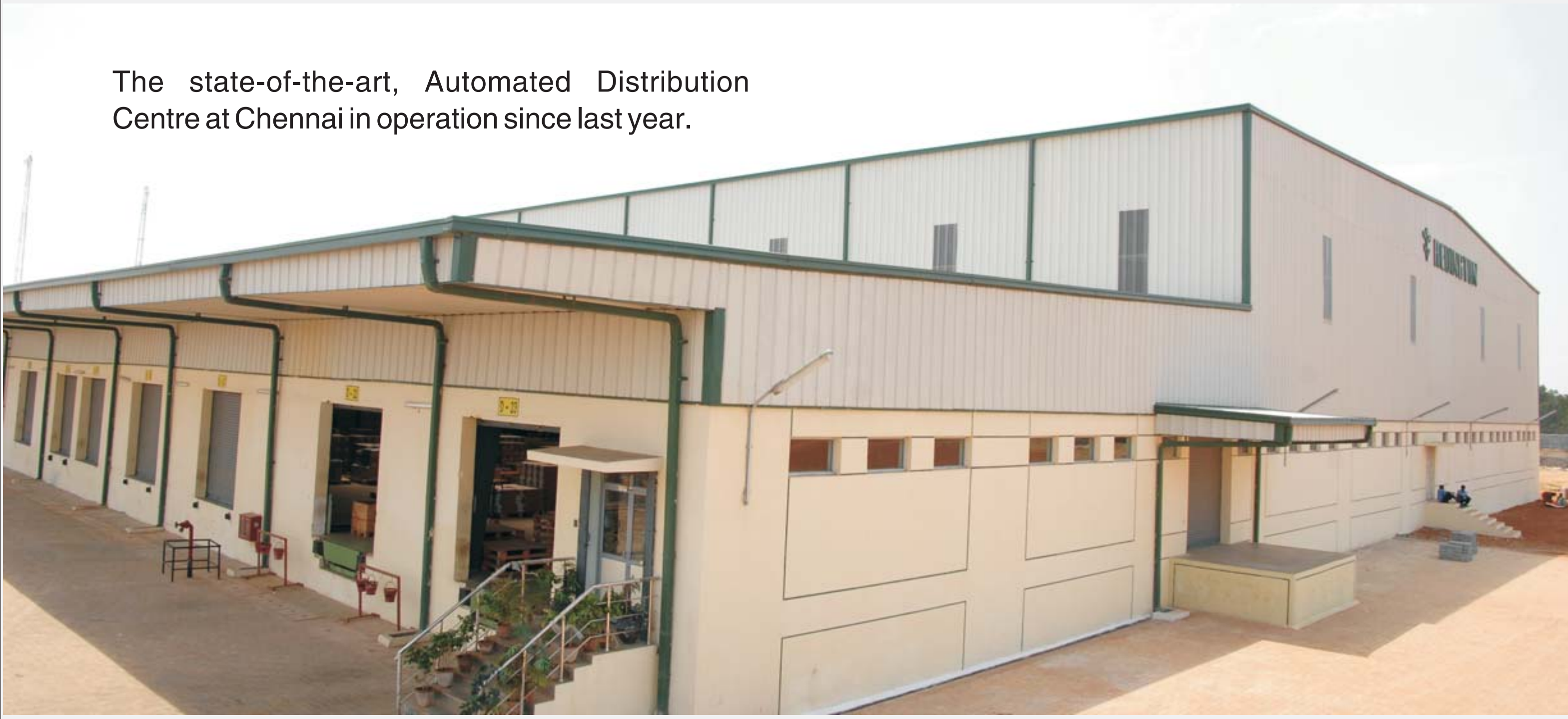
APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

Prof J. Ramachandran and Mr. William Adamopoulos, Directors of the Company, are liable to retire by rotation and being eligible have offered themselves for re-appointment. Notices have been received from the members of the company proposing their re-appointment as the Directors liable to retire by rotation.

The details of Directors seeking re-appointment at the forthcoming Annual General Meeting are provided in table No.9:

Table 9: Brief Resume of Directors seeking Re-appointment

Name of the Director	Prof. J. Ramachandran
Brief resume of the Director	J. Ramachandran is BOC Chair Professor of Business Policy at the Indian Institute of Management Bangalore. His major research interest is in the area of internationalization of firms from emerging economies. He also pursues research in the area of cultural and creative industries. Recent recognition for his work include the IIMB-Tata Steel Award for the Best Case Study in Corporate Social Responsibility, Best Case Awards from the Association of Indian Management Schools and the Central and East European Management Development Association, Best Proposal Runner up award from the Strategic Management Society at the India Special Conference and the Academy of Management Best Paper Proceedings. India's leading business publications Business World and Business Today have cited him as a Star Teacher. A qualified Chartered Accountant, Cost Accountant and a Fellow of the Indian Institute of Management Ahmedabad, Professor Ramachandran has been the Harry Reynolds Visiting International Professor at the Wharton School of the University of Pennsylvania; and a Visiting Professor at INSEAD, Fontainebleau, France and the Carlson School of Management, University of Minnesota, USA. Professor Ramachandran is a former member of the Board of Governors of the Indian Institute of Management Bangalore.
Expertise in Specific Functional Area	1. Strategic management; International Business
Directorship in Indian Public Limited Companies other than Redington (India) Limited	1. Reliance Communications Limited
	2. Reliance Communication and Infrastructure Limited
	3. Sasken Communication Technologies Limited
	4. Bhoruka Power Corporation Limited
	5. Indofil Organic Industries Limited
	6. Infotech Enterprises Limited
	7. Tejas Network India Limited
Membership of Committees in Public Limited Companies 1. Audit Committee	1. Reliance Communications Limited
	2. Sasken Communication Technologies Limited
	3. Infotech Enterprises Limited
	4. Reliance Communication and Infrastructure Limited
	5. Tejas Network India Limited
2. Shareholders/Investors Grievance Committee	Reliance Communications Limited



The state-of-the-art, Automated Distribution Centre at Chennai in operation since last year.

EXCELLENCE IN WAREHOUSING

The state-of-the-art, Automated Distribution Centre at Jebel Ali Free Zone, Dubai - construction in progress.

Name of the Director	Mr. William Adamopoulos
Brief resume of the Director	William Adamopoulos serves as President and Publisher, Forbes Asia. He is responsible for all Forbes Media LLC business interests in Asia Pacific and the Middle East, including Forbes Asia, local partnerships Forbes India, Forbes China, Forbes Korea and Forbes Indonesia, Forbes.com and the annual Forbes Global CEO Conference. Prior to establishing an Asian headquarters for Forbes in 1999, Adamopoulos was the publisher and Managing Director of the Asian Wall Street Journal, and the President of Dow Jones Publishing Company (Asia). A 1984 graduate of Harvard College where he studied economics, Adamopoulos is based in Singapore.
Expertise in Specific Functional Area	Financial analysis and appraisal
Directorship in Indian Public limited Companies other than Redington (India) Limited	NIL
Membership of Committees in Indian Public Limited Companies	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.

The company would implement other non- mandatory requirements in due course as and when required and/ or deemed necessary by the Board.

12. MEANS OF COMMUNICATION:

We have established procedures to disseminate, in a planned manner, relevant information to our shareholders, analysts, employees and the society at large.

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 and such other matters which in its opinion are Material and of relevance to the investors/ shareholders.

D. The Management 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 :

I. Annual General Meeting.

Date : Tuesday, July 20, 2010

Time : 10.00 A.M.

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

II. Financial Calendar : 1st April to 31st March

III. Date of Book Closure : July 14, 2010 to July 20, 2010

IV. Dividend payment date : Within 30 days from the date of declaration

V. Listing on Stock Exchanges :

Name	Address	Scrip/Stock code
National Stock Exchange of India Limited	Exchange Plaza, 5th Floor, Plot No.c/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.	REDINGTON
Bombay Stock Exchange Limited	Phirooze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.	532805

VI. Depositories (Stock Code) : INE891D01018

VII. Registrar and Share Transfer Agents : M/s. 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

VIII. **Share Transfer System:**

Share Transfer Committee:

Share Transfer Committee has been reconstituted with three directors with the Chairman being an Independent Director.

S.No	Name of the Director	Category	Position
1	Mr. N. Srinivasan	Independent Director	Chairman
2	Mr. R. Srinivasan	Managing Director	Member
3	Mr. M. Raghunandan	Whole time Director	Member

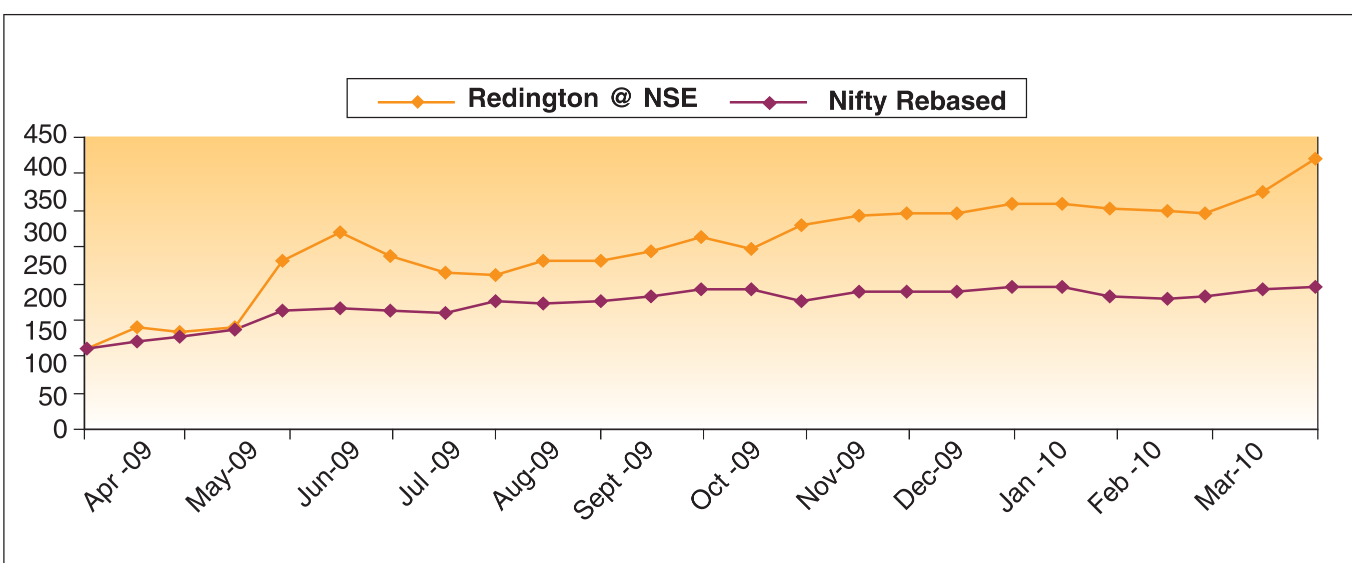
The share transfer committee registers the shares sent for transfers in physical form provided the documents are complete and valid in all respects within a period of 15 days from the date of receipt of such documents. The committee meets at regular intervals to issue duplicate share certificates, transmission of shares and other related complaints.

IX. **Secretarial Audit:**

The secretarial audit for reconciling the total admitted capital with NSDL and CDSL and the total issued and listed capital for each of the quarter in the Financial year ended March 31, 2010 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 dematerialised form.

X. **MARKET PRICE DATA:**

S. No	Month	NSE			BSE		
		High	Low	Close	High	Low	Close
1	Apr - 09	144.40	108.50	134.35	141.95	110.10	134.10
2	May - 09	236.95	133.75	230.85	236.65	133.60	230.25
3	Jun - 09	273.60	221.15	243.00	272.90	222.05	238.00
4	Jul - 09	238.80	206.15	210.90	236.10	204.85	210.45
5	Aug - 09	237.15	209.60	229.20	238.45	209.40	230.05
6	Sep - 09	271.15	232.70	263.50	263.25	232.90	262.00
7	Oct - 09	281.65	245.10	278.15	282.05	245.00	280.50
8	Nov - 09	316.70	256.45	296.90	316.75	257.10	297.30
9	Dec - 09	316.00	289.95	312.65	315.40	288.85	310.35
10	Jan - 10	338.00	296.55	301.75	341.75	296.20	300.85
11	Feb - 10	308.65	290.22	296.30	308.15	290.00	295.10
12	Mar - 10	378.00	296.00	371.80	377.90	295.65	371.20



COMMITTED TO QUALITY

ZERTIFIKAT ◆ CERTIFICATE ◆ 認證 ◆ СЕРТИФИКАТ ◆ CERTIFICADO ◆ CERTIFICAT

TÜV SÜD

Management Service

ISO 9001:2008 • REGISTERED •

CERTIFICATE

The Certification Body
of TÜV SÜD Management Service GmbH
Trading as TÜV SÜD South Asia Private Limited

certifies that

REDINGTON INDIA LIMITED
NEW NO. 156 & 157, VILLAGE ROAD,
(VALLUVARKOTTAM HIGH ROAD), NUNGAMBAKKAM,
CHENNAI - 600 034, TAMIL NADU, INDIA

For Other Units Please Refer to the Annexure

has established and applies
a Quality Management System for

Providing Support Services for Computers,
Computer Peripherals, Mobile Phones, Network Products, IT
Infrastructure Management and Call Center Management Services.
Trading of IT Accessories, Providing Warehousing and
Logistics Services for IT Customer.

An audit was performed, Report No. **70759306**

Proof has been furnished that the requirements
according to

ISO 9001:2008

are fulfilled. The certificate is valid until **2013-03-16**

Certificate Registration No. **12 100 37947 TMS**

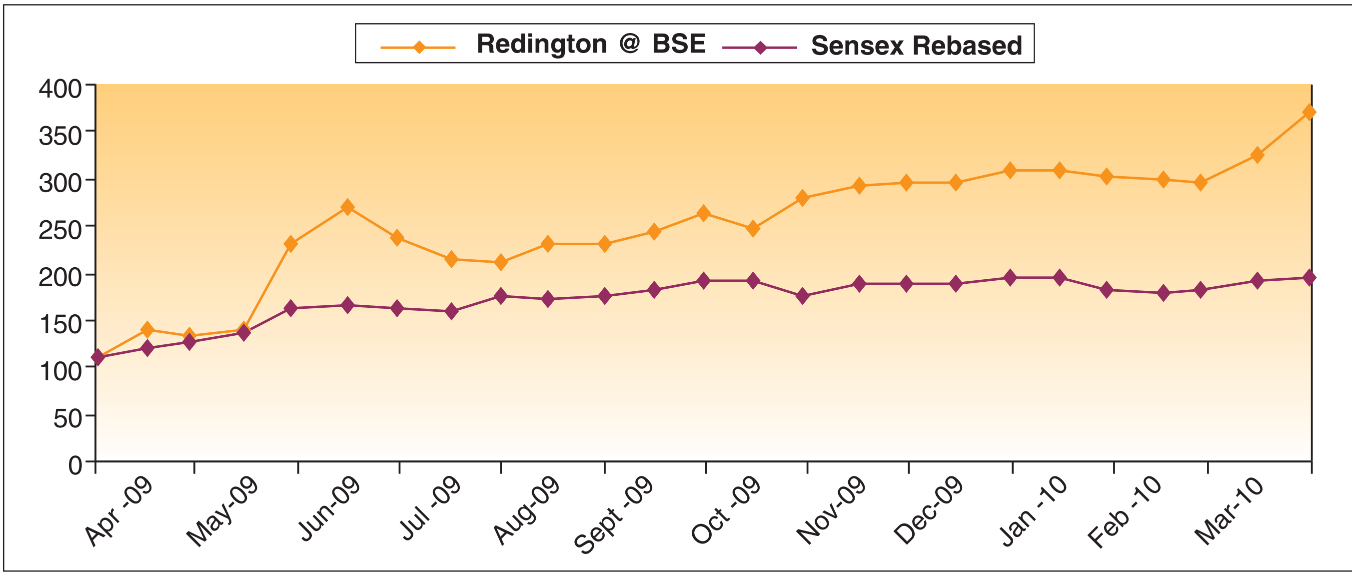
München, 2009-09-03

IAF

QMS-TGA-ZM-07-92

TÜV SÜD Management Service GmbH • Zertifizierstelle • Ridlerstraße 65 • 80339 München • Germany TÜV®

Certification Body of TUV SUO Management Service GmbH has awarded ISO 9001:2008 certification to your Company for providing Support Services for Computers, Computer Peripherals, Mobile Phones, Network Products, IT Infrastructure Management and Call Center Management Services. Trading of IT Accessories, Providing Warehousing and Logistics Services for IT Customer.



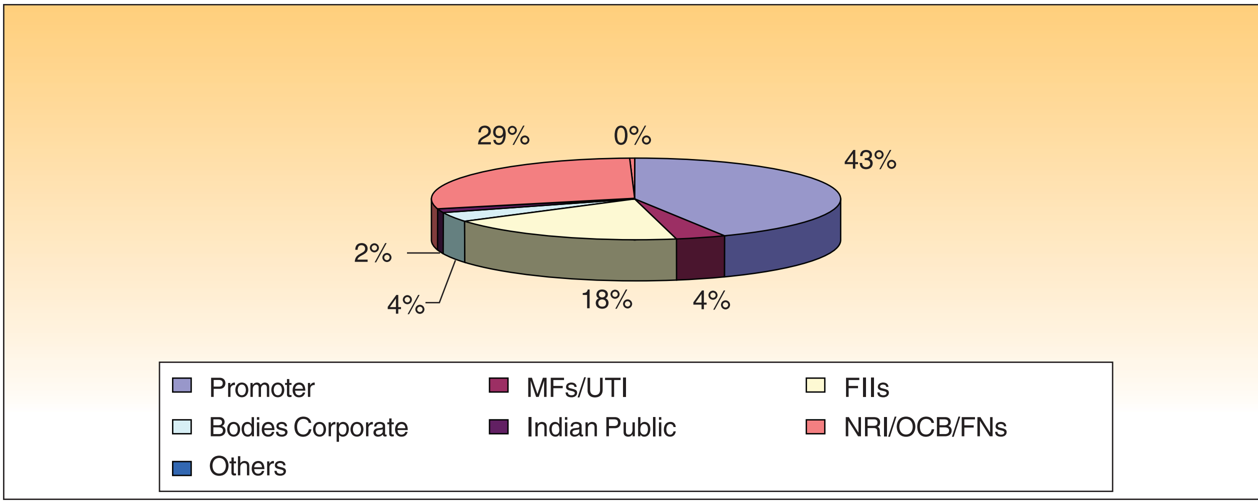
XI. **DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2010.**

Share Holding	No. of Shareholders	% of total Shareholders	No. of Shares	% of total
1-500	10960	94.30	7,51,880	0.96
501-1000	284	2.44	2,27,241	0.29
1001-2000	146	1.26	2,14,599	0.27
2001-3000	58	0.50	1,45,509	0.19
3001-4000	36	0.31	1,23,792	0.16
4001-5000	29	0.25	1,35,628	0.17
5001-10000	38	0.33	2,86,203	0.36
10001 & Above	72	0.62	7,67,51,114	97.60
Total	**11623**	**100.00**	**7,86,35,966**	**100.00**

XII. **STATEMENT SHOWING SHAREHOLDING PATTERN AS ON MARCH 31, 2010.**

Category	No. of holders	No. of shares	% of shareholding
Promoter Holding			
Foreign bodies corporate	1	33901595	43.11
Total of Promoter Holding	1	33901595	43.11
Non promoter holding			
Mutual funds/ UTI	12	2961620	3.77
Financial Institutions/ Banks	1	50	0.00
Foreign Institutional Investors	42	14407142	18.32
Non Institutions			
Bodies Corporate	262	2852768	3.63
Indian Public	10523	1712494	2.18
NRI/OCB/ Foreign Nationals	233	22416307	28.51
Others	549	383990	0.49
Total of Non promoter Holding	11622	44734371	56.89
Grand Total	**11623**	**78635966**	**100.00**

SHAREHOLDING PATTERN



XIII. **DEMATERIALISATION OF SHARES AND LIQUIDITY**

The shares of the company are compulsorily traded in dematerialised form by all categories of investors. As on March 31, 2010, 71.83 % shares of the Company are held in dematerialised form.

XIV. **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.

XV. **ADR/GDRs**

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

XVI. **WAREHOUSE LOCATIONS:**

Our company has the following distribution offices, warehouses and services centres both in India and overseas.

Particulars	India	Overseas operations (through its subsidiary companies)
Sales Offices	53	15
Warehouses	62	16
Service Centres	48	20

XVII. **ADDRESS FOR CORRESPONDENCE:**

The shareholders may address their communication/ suggestions/ grievances/ queries to the Registrar and Share Transfer Agents at their address mentioned in earlier para VII. or to-

The Company Secretary
Redington (India) Limited
SPL SRIRAM NIVAS
No. 38 Venkatakrishna Road,
Mandaveli, Chennai - 600 028.
Tel. No.: 91 44 3918 1300
Fax : 91 44 3918 1333
Email : investors@redington.co.in

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, 2010 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 21, 2010	Managing Director	Chief Financial Officer

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AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Redington (India) Limited

We have examined the compliance of conditions of corporate governance by Redington (India) Limited, for the year ended on 31st March 2010 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, 2010 as per the records maintained by the Shareholder / 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
(Registration Number: 008072S)

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 21, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC OUTLOOK

The impact of economic slowdown seems to be vanishing in the emerging economies. In most advanced economies, the recovery remained sluggish by past standards, whereas in many emerging and developing economies, it was relatively vigorous. Global production and trade which was declining in the first half of the year bounced back in the second half of the year. The prediction of United Nations regarding the rise in global economic growth by 2.4% is a good indication. If the growth of the world economies continues at this pace, it would spur the demand.

The Global Information Technology Report 2009-10(GITR) highlighted the key role of Information and Communication Technology (ICT) as an enabler of a more economically, environmentally and socially sustainable world in the aftermath of one of the most serious economic crises in decades. It is also stated that many countries would be successful by leveraging ICT and taking full advantage of ICT advances to enhance overall competitiveness. GITR has raised India's Ranking from 54th to 43rd for its preparedness to effectively use ICT for different purposes like general business, regulatory and infrastructure environment.

INDIAN LANDSCAPE

The impact of global crisis has been felt by the world nations differently and at varying degree. While this clouded India's growth pace, the Country was able to achieve positive GDP growth more than what was predicted at the beginning. Indian economy is expected to grow faster in the next fiscal. The Centre for Monitoring Indian Economy (CMIE) expects India's GDP growth to accelerate to 9.2% in 2010 - 11.

In a year that witnessed postponement in spending decisions by consumers, the Government sector in India provided the much-needed fillip to the IT industry's growth. Not only did the government spending on ICT products and solutions help the market demand, the stimulus programs from the Government during the year facilitated shoring up demand across all industries.

IDC expects this trend to continue in 2010 as well with large e-governance projects to be awarded and implemented in many States (provinces) as well as by several Central (federal) government ministries. Some of the projects on the anvil include the Accelerated Power Development and Reforms Programme (APDRP), the e-District and State Data Centre (SDC) projects and those proposed by the Ministries of Posts, Railways and Defence. All these projects are expected to involve huge spending on ICT solutions in 2010. The 29 State Governments across India are cumulatively estimated to have spent more than INR 37,000 million (nearly US$ 820 million) in 2009 on IT products alone. IDC expects this figure to grow by more than 11% in 2010. Thirty Central Government ministries on the other hand presented an opportunity of INR 36,000 million (nearly US$ 800 million) in 2009, which is forecast to grow by 14% in 2010.

The year 2010 would be a transitional year for IT deployments in Indian Public sector and Government Departments with the focus shifting to automation of the back-end processes. This is largely guided by the realization that front-end delivery mechanisms alone is not sufficient till the back-end infrastructure and organisational capacities are built to serve the common man better. The automation/digitization is expected to give a boost to adoption of Document Management Services (DMS) and digital imaging technologies by government departments. Scanning of documents, be it for internal archival/storage or for the delivery of statutory certificates to citizens, is going to be one of the key thrust areas in 2010.

NATURE OF BUSINESS

Your Company along with its subsidiaries is in the business of end-to-end supply chain management of IT and non-IT products in various geographies which has high potential for growth. The Company also renders after sales support services, financial services and logistics services.

The foremost objective of the supply chain business is to ensure ultimate reach of the products to end customer at the optimal cost and shortest possible time. The IT distribution industry is encompassed with network of interconnected business partners like value added resellers, systems integrators, sub distributors, large format retailers and small mom and pop stores. The distribution channel provides geographically dispersed demand to be served at a lower cost than what vendors can typically achieve on their own. The channel makes it easier for business to acquire new technology as opposed to acquiring that technology in a multi-vendor model.

INDUSTRY STRUCTURE

IT BUSINESS

India remains a focus geography for all Global IT Hardware and Software vendors. The major reasons for this are the favorable growth oriented fiscal policies of the Government, huge investments in e-Governance projects, upgrading of IT infrastructure by the Banking and Financial Services sector, investments in the Education sector and continued spending by the Indian Consumer on the back of positive economic sentiments. The much anticipated revival of infrastructure spending would have a significant positive impact on the IT eco-system.

Your Company works as a national distributor for all leading international IT Brands. It distributes a complete bouquet of IT products including desktops, laptops, servers, software packages, peripherals, components, networking equipments, storage products and high-end enterprise level Servers / Storage / Software.

Your Company managed to maintain its success story even during highly challenging times by focusing on growth areas, keeping a tight control on costs and adding key vendors to its portfolio.

Your Company would continue to tailor its strategies to meet the future challenges in order to ensure that the growth objectives are not diluted and it continuously identifies newer and fresher areas for business acquisition.

NON -IT BUSINESS

Your Company has penetrated into distribution of non-information technology products successfully since 2004.

In India, Government's recent approval for 3G enabled telecom service would provide more scope to increase the growth in the telecom product demand. Your Company sees robust growth in the coming years in the mobile handset distribution market and believes BlackBerry sales would prove to be a catalyst for this growth, as there are clear shift in consumer taste towards Smartphones.

Consumer Electronics industry consists of durable goods used for domestic purposes such as televisions, washing machines, refrigerators, microwave ovens, etc. The growth in the consumer durables sector has been driven primarily by factors such as the boom in the real estate & housing industry and with rising affluence level of a considerable section of the population.

As per a survey conducted by FICCI on the Indian consumer durables industry, a shift in consumer preferences towards higher-end, technologically advanced branded products has been quite discernable. This shift can be explained by narrowing differentials between the prices of branded and unbranded products added with the high quality of after sales service provided by the branded players. The shift has also been triggered by the availability of foreign branded products in India owing to lower import duties. The surge in advertising has been instrumental in bringing about a sea change in the consumer behavior pattern and preference.

SERVICES

Your Company from the beginning believed in the importance of 3rd party neutral service provider for vendors and customers in high growth large markets like India, Middle East and Africa. Presence of 3rd party neutral service provider helps the brand owners to deliver timely service and at lower cost. Your Company has been able to map a

LEADERSHIP TEAM - INDIA

Mr.J.K. Senapati
Head – Peripherals & Consumer PC SBU

Mr.P.M. Sethumadhavan
Head - Components SBU

Mr. R. Sasikanth
Head – Enterprise SBU

Mr.Anand Chakravarthy
Head – Networking, Storage & Power SBU.

Mr. Gautam Hukku
Head – Systems SBU

Mr. J. K. Senapati joined the Company in June 1998. Currently he heads biggest building block of the IT division, Peripherals & Consumer PC - SBU. A management graduate from IIM-A, prior to joining the Company, he was working as the Divisional Manager at Sinar Mas (India).

Mr. P.M. Sethumadhavan joined the Company in June 1999 as Branch Manager (Chennai) and is presently Head - Components SBU. An Engineer of Electronics & Communication at the Institute of Engineers (India), prior to joining Redington, he was working with Larsen & Toubro Limited in their Computer Peripherals Division.

Mr. R. Sasikanth joined Redington in Feb 2001 and is currently Head Enterprise - SBU. An Electrical Engineering graduate from R.E.C-Ahmedabad and an MBA from S.P.Jain Institute of Management & Research, Mumbai.

Mr. Anand Chakravarthy joined Redington, Singapore in 2001 and moved to Redington, India in the year 2007. Currently he is Head - Networking, Storage & Power SBU. Prior to joining Redington, he was working with Microland and HCL.

Mr. Gautam Hukku joined Redington in Feb 2004 and is currently Head-Systems SBU. A post graduate from IIM- Indore, he has a total work experience of 17 years. Prior to joining Redinton he was associated with Tech Pacific (India) Limited.

LEADERSHIP TEAM - INDIA

Mr. R. Venkatesh
Head-Software Solutions SBU

Mr. Rajesh Khetarpal
Head -Lifestyle & Telecom SBU

Mr. Ramesh Natarajan
Head - Sales

Mr. K. Sundaresan
Head - Credit

Mr. R. Venkatesh joined the Company in October 2000 and is presently the Head - Software Solutions SBU. Prior to software solutions SBU, he was handling Networking / Storage business and has in total 14 Years of Experience.

Mr. Rajesh Khetarpal joined Redington India in Jan 2000 as Channel Development Manager and is currently the Head-Lifestyle and Telecom SBU. Prior to joining Redington he worked with organizations like Yelm.Com, Videocon International, Sylvania & Laxman etc.

Mr. Ramesh Natarajan joined the company in 1997 and is currently Head - Sales. Prior to joining Redington he was employed with Pertech Computers Limited as a Territory Manager

Mr.K.Sundaresan joined Redington in June 2002 and he is currently Head - Credit. He is a Chartered Accountant and prior to joining Redington he was employed with Bhavani Impex Sdn Bhd., Kualalumpur, Malaysia.

consistent growth in our service business by being the neutral service provider, providing customers in India with world class service support in association with leading global IT and Telecommunication organisations. Your Company has always been the frontrunner in many activities providing end-to-end support services including warranty services, supply of authorised spare parts and upgrades to other service providers, annual maintenance services, technical response centre, high level repair services for mobile handsets and motherboards etc. and thereby giving significant value-addition to the vendors and customers.

THIRD PARTY LOGISTICS

Globalization resulted in Indian firms' demanding new logistics capabilities and more complex solutions for logistics challenges. There is a greater realisation about importance expert logistics services. Due to economies of scale, 3PL service provider like your Company, are better positioned to provide a cost effective solution to these expert logistic needs.

More companies are turning towards 3PL to help them in successful management of supply chain processes. 3PL provides the ability to bring down conventional logistics costs and handle more complicated tasks.

The 3PL industry is expected to become a $90 million industry from the current $58 million, as around 55 per cent of Indian companies are outsourcing logistic services, which used to be between 10-15 per cent ten years ago (Source: Business Standard). Value added services are currently the most important driving factor for such a shift giving hopes for further shift in future.

Your Company manages low turnaround time at cost effective mode supported by investment in Distribution Centre and high quality warehouse management software. Supply Chain Solution services form an integral part of your Company's operations. Your Company's initiative to set up Automated Distribution Centres(ADCs) at four Metros in India and one in Dubai is progressing well. ADC at Chennai started its operations in the last financial year. It was challenging to implement a best of breed warehouse management system, performance testing of high end Very Narrow Aisle (VNA) equipments and giving adequate training to the manpower. Unlike a normal warehouse, the uniqueness of ADC is having process driven operations.

OVERSEAS OPERATIONS

Your Company always aims at networking seamlessly beyond boundaries. Your Company's overseas subsidiaries contribute equally to the growth. The global turmoil last year has affected the growth in IT industry in the overseas operations. Majority of our vendors de-grew their revenue in this market due to serious erosion of demand, mainly from corporate segment. In the Middle East market, there was de-growth in units sold across all the product categories, except in Notebooks.

However, your Company's subsidiary, Redington Gulf could retain its revenue growth in the MEA by adding new brands like Dell and couple of other brands in higher margin value space. Redington-Gulf's strong retail customer base which facilitated tie-up with Dell in May 2009 was a significant move for the company in its MEA growth strategy. Addition of Dell brand in our bouquet when our largest vendor was de-growing in these markets was an important step towards the Company achieving positive growth in its MEA revenue.

During the last 3 to 4 years, Redington-Gulf is making conscious effort to move into distribution of value products in MEA markets. The value division was started with focus on networking products and solutions. The vision behind value-added distribution is to establish the Company as a leading one-stop-solutions provider for information management, information convergence and information security vertical. With the addition of 5 brands in the year under review, currently your Company's overseas subsidiary, Redington-Gulf has about 15 brands in this space and is showing a consistent growth. The Value Division is associated with some of the leading global brands including Avaya, Ascom, Coral Maksat, Cisco, HP ProCurve, HP Software, Juniper, Microsoft, Nortel, Netgear, RedHat, SonicWall, Trapeze Networks and TrendMicro.

In the Telecom segment, a significant performer in our African market was Nokia in Nigeria and Kenya. Nokia is the No. 1 telecom brand in these markets. Telecom as a segment has done well for the company in the last couple of years. In Nigeria, Redington Gulf has increased its market share to take a leadership position through better logistics, penetration and reach. In Kenya, Redington Gulf and its subsidiaries managed to scale up its business through its presence in upcountry markets. Redington Gulf has been awarded contract by Nokia for Ghana market also.

While your Company's overseas subsidiaries have set their footprint in Africa in the early 2000, there are continuous efforts to expand the geographical spread within that region. Recently, Redington Gulf has added two new markets, Ghana (in West Africa) and Uganda (in East Africa). There are well laid out strategies to move into North Africa in a big way. The period under review, also saw a revival of our business fortunes in Egypt.

STRENGTHS, RISKS AND CONCERNS

A. STRENGTHS

The enduring relationship which we maintain with our vendors and the customers portrays the success of our business. The uniqueness of your Company is the relationship it enjoys, with the vendors and channel partners spanning more than 15 years. Be it the offerings and the value propositions we provide to our channel partners, or multi- location deliveries and billings, we are always ready to accompany our partners and customers till the transaction closure stage. Your Company's robust IT infrastructure enables managing its network of business locations in a time and cost efficient manner. Efficient inventory management and receivables management paved the way to effectively manage the challenges of economic downturn which in turn yielded better competitive edge over our rivals. Your Company's wide reach, fulfilling the demand of the customers enabled diversified growth thereby ultimately establishing our identity across different sub sects of these markets. Your Company also provides its customers with project based delivery services which require a highly coordinated activity of delivery of multiple products to multiple locations and in some cases installing them as well. Your Company's presence in the Support Services space, the unique feature compared to other distributors, gives it an advantage in completing complex project supplies.

B. RISK AND CONCERNS

Your company, being in distribution and support services space, is conscious about risks arising out of vendor relationships, market performance, geographical risk,foreign exchange risk, credit risk, inventory management and interest rate risks. A well structured policy has been established to address the issues of risk factors and adequate internal control systems has been installed in the organization to mitigate the risk arising out of process, operational and compliance issues. Internal audit has been carried out at regular intervals to ensure the adequacy of the controls in the performance of the Company. Insurance coverage has been taken by your Company to safeguard the assets from the risk arising out of natural calamity such as fire threats etc and insurance policies has also been taken to safeguard the Employees' interest. Some of the challenges associated with this business are highlighted in the forth coming paragraphs.

As a prudent policy, the Company takes foreign exchange forward contracts to hedge against forex risk towards its outstanding payables.

Business strategy of vendors

Vendors having global footprints take decisions for specific markets in line with their global strategies. In the recent economic downturn, the focus of many vendors to emerging markets to grow their global business. In order to increase their market share and show more growth, some of the vendors resorted to strategies like more direct sales, reduction in discounts and rebates, partnering with smaller players, etc. Over time, however, Vendors realized that it makes far better sense to leverage distributor's network to cost-effectively sell their products. Distributors reach the products to the market through diverse reseller channels with specialized needs that are very difficult to directly address or through the small players.

LEADERSHIP TEAM - MEA

Mr. B. Ramkumar
Head - Value Business
MEA

Mr. Jim Mathew
Head – Telecom Business
Africa

Mr. Santosh Sansare
Head- IT Business
Africa

Mr. Jeetendra Berry
Head - HP-PSG,ME.

Mr. Sukhil Nair
Head - PC Division, ME

Mr. B. Ram Kumar is a postgraduate in business administration and has over 10 years of experience, with both IT vendors and distribution companies. He has been associated with Redington Gulf for over 5 years and currently heads the Value Business in Middle East & Africa.

Mr. Jim Mathew is a Postgraduate in Business Administration with over 10 years of experience in the Telecom & IT distribution industry. He has been associated with Redington Gulf for over 4 years

Mr. Santosh Sansare is a postgraduate in business administration with over 11 years of experience spanning Process Automation, Instrumentation & IT Distribution companies.He has been associated with Redington Gulf for over 4 years and currently heads the IT businesses in Africa

Mr. Jeetendra Berry is a Graduate in Engineering and has over 15 years of experience with various IT Resellers and System Integrators. He has been associated with Redington Group for 12 years and currently heads the HP PSG Business across seven countries UAE, Saudi Arabia, Kuwait, Qatar, Egypt, Bahrain and Oman.

Mr. Sukhil Nair is a Graduate in Commerce and has over 12 years of experience in sales and marketing Telecom and IT industry. He has been associated with Redington Group for 9 years and currently heads the PC division for Redington Gulf.

LEADERSHIP TEAM - MEA

Mr. Sunil D' Souza
Head - IT Systems, MEA

Mr.Sriram Srinivasan
Head - HP IPG, Hardware & Supplies, ME

Mr. Ashok Veeraraghavan
Head - Sales Retail & Corporate - ME

Mr. S. Chidambaram
Head - Supply Chain Management –MEA

Mr. Sunil D'souza is a Graduate in Computer Science and has over 13 years experience in IT Industry. He has been associated with Redington Gulf for 9 years and currently heads the Information Technology System.

Mr. Sriram Srinivsan is a Post Graduate in Management and has over 20 years of experience in Office Automation, IT hardware Distribution and a brief stint in the Audio Visual Industry. He has been associated with Redington Group for 16 years and currently heads the HP Imaging and Printing Group Hardware and Supplies Business in ME.

Mr. Ashok Veeraraghavan is a Graduate in Electrical Engineering with over 21 years of experience in Building Automation industry and Distribution Industry. He has been associated with Redington Gulf for over 9 years and currently heads the Corporate & Retail Sales for Redington Gulf FZE

Mr. S. Chidambaram is a post Graduate in operations management and has over 18 years of experience in the distribution industry. . He has been associated with Redington for over 15 years and currently heads the Supply Chain Management for Redington Gulf across Middle East and Africa

Changes in consumer behaviour pattern

The post recession scenario has become tougher for the manufacturers and retailers due to the unexpected change in the consumer buying pattern. The cash flow stress of individuals and corporate during the downturn are hard to go away from memory and results in cautious purchase decisions. The thrust is on the vendors to intensify their marketing plans so that it gives platform for the customers to buy the products. The provision of liberal credit or payment erms or an attractive sales promotion scheme or freebie offering would encourage immediate purchase. Vendors are the pillars on which our business model is built. If vendors grow at a higher pace, we tend to show stronger growth as well.

OPPORTUNITY AND DE-RISKING STRATEGIES

In this competitive business scenario, organizations with high potential foresee the challenges and devise a plan to overcome them with their strategic approach. Being very well equipped both resourcefully and technologically your Company managed to be one of the leading players in the distribution space. The timely strategic policies and efficient execution skills have enabled your Company to continue with its success story over these years.

One of the strategic moves by the Government of India towards ensuring beneficial schemes reaching the common man and to bridge the gap between haves and have-nots is the initiation of Unique Identification Project. This along with Government's focus on e-governance projects and increased budgetary allocation for education sector is expected to spur demand for IT products. Being a leading distributor with a srong distribution reach, long standing relationship with many vendors and customers, expert understanding of this business, credible financial strength, vast support services for both infrastructure, capability to provide finance to channel community and logistic services for both vendors and channel partners, these are attractive business opportunities for your Company.

HORIZONTAL AND VERTICAL EXPANSION

It’s your Company’s consistent endeavour to add new products, brands and markets. Addition of newer brands and products enhances the vendor’s market share as the products are sold through your Company’s channel partners. In addition, your Company expands its operations globally by exploring new markets or by widening our reach in an existing market. There is a huge potential for the IT and Telecom products in the unexplored markets of Africa. A recent survey reports that the world economic slowdown had little impact in the African region. The company’s strategic vision is to discover new markets beyond our current frontiers without compromising the market share in our existing markets. In large countries like India, the upsurge in consumer demand from small towns and tier II cities has necessitated a distributor’s role for a cost-efficient distribution. Your company is making investments in growing its reach across many of these small towns and cities to play an important role in its future growth.

INTERNAL CONTROL SYSTEMS

Your Company has adequate Internal Controls in place. Your Company accords importance to the role of its Internal Auditors in periodical review of various internal control systems and processes. The management and the audit committee interact with internal auditors to understand the proper functioning of its internal control framework. In addition, as required under clause 41 of the Listing Agreement, before finalizing the quarterly, half yearly and annual accounts the CEO and CFO ensures the adequacy of the Internal Control system which is reviewed by the Audit Committee, Internal and Statutory Auditors.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The most important reason for your company’s success in meeting its business objectives is its employee strength. Higher level of capability and commitment is required from the employees, in a high transaction oriented distribution business where the decision making is distributed across all its locations and monitored centrally. Our core employee strength has enabled us to grow faster than the market and the competitors in these markets, to become a leading distributor in most of the markets where your Company has operations.

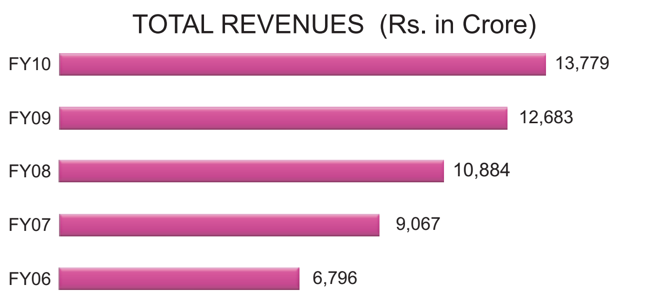
FINANCIAL PERFORMANCE & POSITION

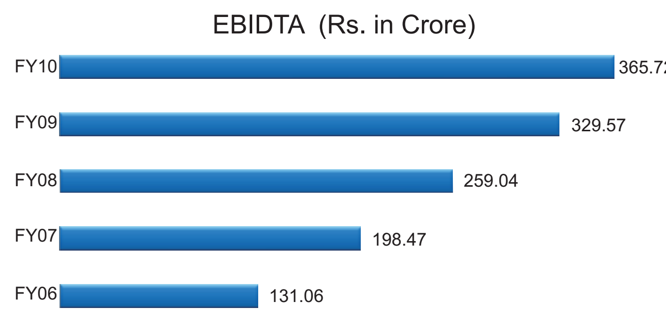
The financial statement of your Company and its Indian subsidiaries are prepared in accordance with Generally Accepted Accounting Principles in India. The consolidated financials of Redington Distribution Pte. Ltd and its subsidiary is prepared in accordance with the Singapore Financial Reporting Standards. Other overseas subsidiaries that are incorporated in Middle East and Africa region are prepared under the International Financial Reporting Standards.

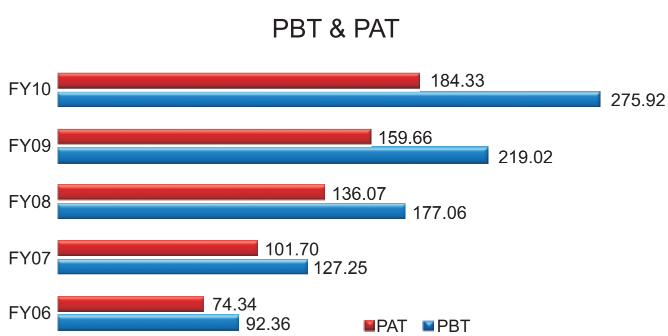
Analysis of Consolidated Financials

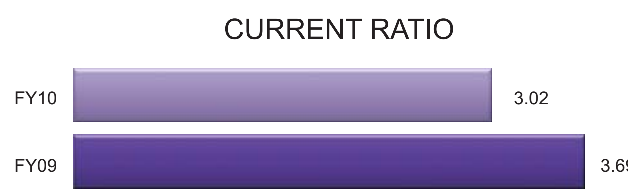
Revenues - Revenues for the fiscal 2010 grew by 8.64% to Rs.13,778.65 Crore from 12,683.09 Crore in the previous year. Revenues from Overseas subsidiaries contributed to 53.12% of the total revenues.

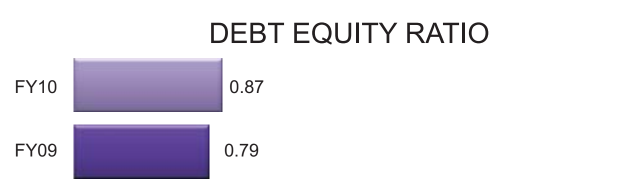
EBIDTA - grew by 10.97% to Rs.365.72 Crore during the fiscal 2010 as against Rs.329.57 Crore during the fiscal 2009. EBIDTA as a percentage of Sales and service income touched a high of 2.65 % during the fiscal 2010 as against 2.60 % during the previous fiscal.











PBT and PAT- Profit before tax increased to Rs.275.92 Crore during the year as against Rs.219.02 Crore during the last fiscal year.

The provision for current tax and deferred tax for the year is Rs. 63.90 Crore. PAT for the year after minority interest increased to Rs. 184.33 Crore during the year as against Rs.159.66 Crore during the fiscal 2009.

The growth of 25.98% and 15.45% 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 2 % and 1.54 % respectively, as against 1.73% and 1.33% in the previous fiscal.

Borrowings - Increased by 16.85% to Rs.1148.59 Crore as on 31st March 2010 as against Rs.982.98 Crore as of 31st March, 2009.

Fixed Assets - Increased to Rs.96.81 Crore during the fiscal 2010 as against Rs.87.99 Crore during the previous fiscal the main addition being investment for construction of ADC.

Employee Compensation Costs - Increased to Rs.165.50 Crore in fiscal 2010 as against Rs. 150.27 Crore during the fiscal 2009. Employee compensation cost as a percentage of revenue increased from 1.18% to 1.20 % in current financial year. The increase is inevitable to retain the skilled personnel.

Interest - Interest cost has decreased to Rs. 66.38 Crore as against Rs. 97.82 Crore during the previous fiscal. Interest as a percentage of sales has decreased from 0.77% in the previous fiscal to 0.48 % in the current fiscal year.

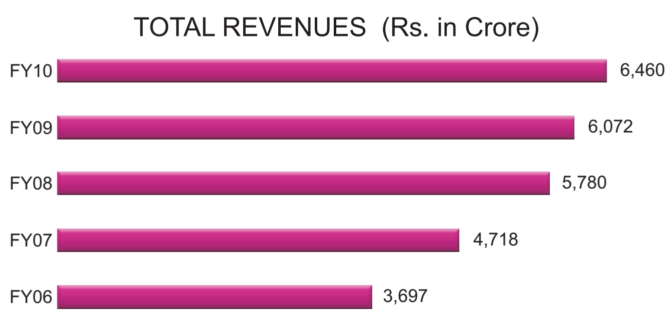
Other Expenses - mainly includes Rent, Insurance, Communication, travel and Exchange Loss. Increased to Rs.179.36 Crore during this fiscal year 2010 as against Rs. 165.08 crore during the previous year.

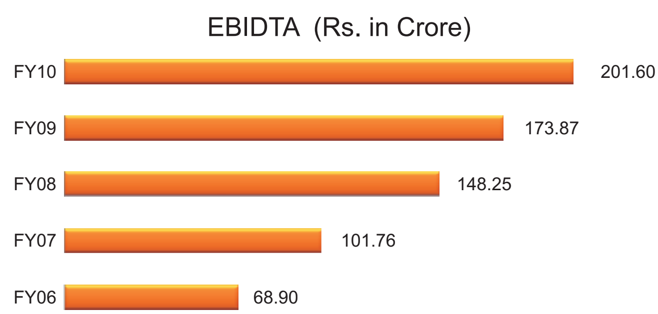
Summarized Cash Flow Statement:

Rs in Crore

Particulars	**2009-10**	**2008-09**
Cash and cash Equivalents at the beginning of the year	602.39	182.95
Add: Cash generated from/ (used in)		
Operating activities	11.05	(99.69)
Investing activities	(53.43)	(13.33)
Financing Activities	84.43	427.81
Currency Translation	(100.78)	104.54
Opening cash balance of subsidiaries acquired during the year	-	0.11
Cash and cash Equivalents at the end of the year	582.60	602.39
Less: Deposits held for more than 3 months	38.94	-
Cash and cash Equivalents at the end of the year	543.66	602.39

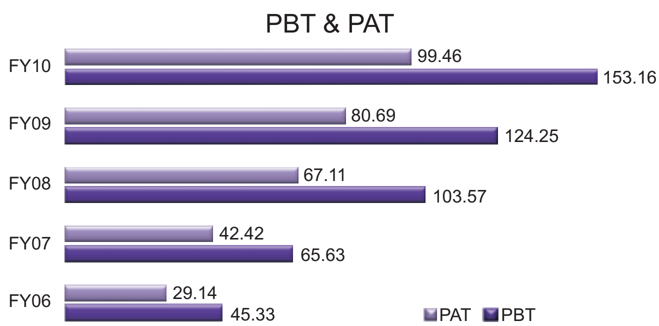
Analysis of Standalone Financials

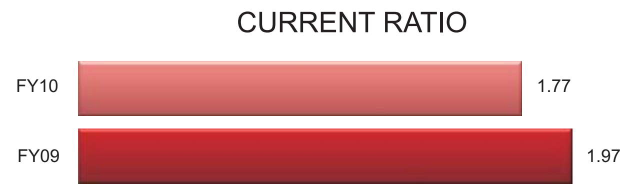


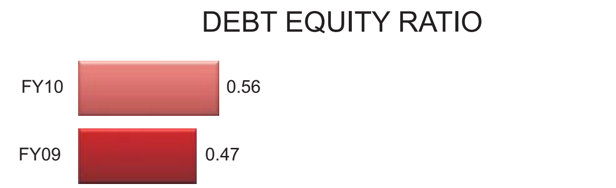


Revenue – Revenue has grown to Rs.6,459.88 Crore in the fiscal year 2010 from Rs.6,071.43 Crore in fiscal 2009.

EBIDTA increased by 15.95% to Rs. 201.60 Crore during the fiscal year 2010 as against Rs. 173.87 Crore in previous fiscal year 2009. EBIDTA as against the total revenue has been increased to 3.12% during this fiscal year as against 2.86% during the previous financial year 2009.







PBT and PAT - Profit before tax increased to Rs.153.16 Crore during the year as against Rs.124.25 Crore during the last fiscal year. Profit After Tax increased to Rs.99.46 Crore during the year as against Rs.80.69 Crore during the fiscal 2009. The growth of 23.19% and 23.26 % in the PBT and PAT respectively has been mainly on account of better product mix and operational efficiencies.

The PBT and PAT as a % of revenue have grown to 2.37 % and 1.54 % respectively, as against 2.05% and 1.33% in the previous fiscal.

Borrowings - Increased to Rs. 375.52 Crore as on 31st March 2010 as against Rs.289.91 Crore as of 31st March, 2009.

Employee compensation cost increased to Rs. 79.78 Crore from Rs. 75.81 Crore in the fiscal year 2010. Though there has not been much increase in this fiscal year when compared to the previous financial year the difference is inevitable to retain the existing skilled human personnel.

Other expenses for this financial year have shown 12.05% decrease due to reduction in cost of operations and reduced receivable factoring. The other expenses have been reduced to Rs.73.69 Crore when compared to previous fiscal year which stood at Rs.83.78 Crore.

Interest cost reduced to Rs.33.03 Crore as against the previous financial year which stood at Rs.44.91 Crore. There has been a remarkable reduction in the interest payment to the extent of 26.43%. The interest cost as a % of total revenue has been decreased to 0.5 % from 0.7% in this financial year.

Summarized Cash Flow Statement:

Rs in Crore

Particulars	2009-10	2008-09
Cash and cash Equivalents at the beginning of the year	55.96	77.59
Add: Cash generated from / (used in)		
Operating activities	89.05	26.86
Investing activities	(148.21)	(12.95)
Financing Activities	23.16	(35.54)
Cash and cash Equivalents at the end of the year	19.96	55.96

Cautionary Statement

Statement 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 differ materially from such expectations, projections, etc.

Abridged Standalone Financial Statements

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

We have examined the attached abridged Balance Sheet of Redington (India) Limited ("the Company"), as at March 31, 2010 and also the abridged Profit and Loss Account and the Cash Flow Statement for the year ended on that date both annexed thereto, together with significant 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, 2010 prepared in accordance with the provisions of sub-section 3(C) of Section 211 of the Companies Act, 1956 and covered by our report of even date to the members of the Company, which is attached hereto.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration Number: 008072S)

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 21, 2010

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

1. We have audited the attached Balance Sheet of REDINGTON (INDIA) LIMITED ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both 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.
2. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
   (a) 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;
   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
   (e) 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:
      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration Number: 008072S)

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 21, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result, clauses (x), (xii), (xiii), (xiv), (xviii) of CARO are not applicable.

(ii) In respect of its fixed assets:

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

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation 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.

(iii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified during the year by an external firm of chartered accountants at reasonable intervals.

(b) In our opinion and according to the information and explanation 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 the 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.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, there is an 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 the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act 1956.

(vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956.

(viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Mangement have been commensurate with the size of the Company and the nature of its business.

(ix) 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 any other product of the Company.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in Lakhs)
The Customs Act, 1962	Customs Duty	CESTAT / Commissioner	Bill of entries relating to various years	15.27
Sales Tax Act of Various States	Local Sales Tax	Various appellate authorities	2002-03	17.28
			2003-04	80.43
			2005-06	152.67
			2006-07	34.03
			2007-08	82.97
			2008-09	141.92
			2009-10	31.12
Central Sales Tax Act, 1956	Central Sales Tax	Various appellate authorities	2002-03	5.19
			2004-05	0.24
			2005-06	5.18
			2006-07	44.99
			2007-08	3.71
			2008-09	0.37
Income Tax Act, 1961	Income Tax	CIT (A) and Dispute Resolution Panel (DRP)	Assessment year 2005-06	24.52
Income Tax Act, 1961	Income Tax	CIT (A) and Dispute Resolution Panel (DRP)	Assessment year 2006-07	105.70

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

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

(xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

(xv) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued only unsecured debentures and as such no security / charge needs to be created.

(xvi) The Management has disclosed the end use of money raised by public issues and we have verified the same.

(xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registraion No. 008072S)

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 21, 2010

ABRIDGED BALANCE SHEET AS AT MARCH 31, 2010

(Rs in Lakhs)

	As At 31.03.2010	As At 31.03.2009
SOURCES OF FUNDS		
(1) Shareholders' Fund		
a. Capital		
I. Equity	**7,863.60**	7,786.57
b. Reserves and Surplus		
I. Securities Premium Account	**33,726.64**	32,791.44
II. General Reserve	**2,896.77**	1,902.21
III. Hedge Accounting Reserve	**(184.77)**	(11.37)
IV. Surplus in Profit and Loss Account	**23,295.51**	18,969.85
Total	**67,597.75**	61,438.70
(2) Loan Funds		
a. Secured Loans	**30,955.49**	15,681.94
b. Unsecured Loans	**6,596.80**	13,308.80
Total	**37,552.29**	28,990.74
Total	**105,150.04**	90,429.44
APPLICATION OF FUNDS		
(1) Fixed Assets		
(a) Net block (Gross Block less Accumulated Depreciation)	**6,707.30**	5,520.35
(b) Capital advances	**131.37**	1,028.03
(2) Investments in Subsidiaries - Unquoted	**45,905.09**	32,093.25
(3) Deferred Tax Asset (Net)	**249.76**	(13.12)
(4) (i) Current assets, loans and advances		
a. Inventories	**42,241.21**	27,344.57
b. Sundry Debtors	**67,855.45**	64,502.26
c. Cash and bank balances	**1,996.37**	5,595.72
d. Loans and advances		
– To Subsidiary	**42.00**	36.03
– To Others	**7,660.00**	7,819.53
Total	**119,795.03**	105,298.11
Less:		
(ii) Current liabilities and provisions		
(a) Liabilities	**62,540.90**	49,325.82
(b) Provisions	**5,097.61**	4,171.36
Total	**67,638.51**	53,497.18
Net current assets	**52,156.52**	51,800.93
Total	**105,150.04**	90,429.44

Refer notes to abridged financial statements

Compiled from the audited annual accounts of the company referred to in our report dated 21st May 2010

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Wholetime Director

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 21, 2010

ABRIDGED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(Rs in Lakhs)

	Year Ended March 31, 2010	Year Ended March 31, 2009
I. Income		
Sales & Service Income	**644,961.42**	606,615.65
Interest	**852.21**	417.51
Other Income	**174.51**	110.20
Total	**645,988.14**	607,143.36
II. Expenditure		
Cost of goods sold		
(i) Opening Stock	**27,344.57**	30,182.39
(ii) Purchases	**623,422.70**	569,217.07
(iii) Closing Stock	**42,241.21**	27,344.57
	608,526.06	572,054.89
Trading expenses	**1,954.93**	1,743.22
Employee Compensation Costs	**7,939.19**	7,537.87
Managerial Remuneration	**39.06**	43.08
Interest	**3,303.78**	4,490.54
Depreciation	**1,540.50**	471.08
Auditor's remuneration	**48.60**	37.13
Bad Debts Written Off and Provision for doubtful debts	**485.45**	327.99
Other expenses	**6,834.79**	8,012.44
Total	**630,672.36**	594,718.24
III. Profit before tax	**15,315.78**	12,425.11
IV. Provision for taxation	**5,370.17**	4,356.25
V. Profit for the year	**9,945.61**	8,068.86
VI. Dividend including Dividend Distribution Tax relating to previous year	**28.28**	–
VII. Proposed Dividend on Equity Shares including Dividend Distribution Tax	**4,597.11**	3,643.98
VIII. Transfer to reserves/surplus	**5,320.22**	4,424.88
EARNING PER SHARE		
EPS – Basic (Rs.) - Facevalue - Rs. 10	**12.68**	10.36
EPS – Diluted (Rs.) - Face Value – Rs. 10	**12.55**	10.36
Weighted Average Number of shares for calculating earnings per share		
Basic	**78,405,200**	77,865,746
Diluted	**79,221,236**	77,865,746

Refer notes to abridged Financial Statements

Compiled from the audited annual accounts of the Company referred to in our report dated 21st May 2010

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Wholetime Director

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 21, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2010		Year Ended March 31, 2009	
A. Cash flow from operating activities:				
Profit before tax (excluding extraordinary items)	15,315.78		12,425.11	
Adjustments for:				
- Depreciation	1,540.50		471.08	
- Interest Expense	3,303.78		4,490.54	
- Interest Income	(852.21)		(417.51)	
- Provision for Doubtful Debts	485.45		327.99	
- Provision for Doubtful Debts written back	–		(2.69)	
- Provision for Compensated Absences	(9.63)		84.78	
- Provision for Gratuity	(5.19)		146.37	
- Unrealised Foreign Exchange Variation (net)	120.31		227.26	
- Loss/(Profit) on sale of fixed assets	2.81		(10.06)	
Operating Profit before working capital change	19,901.60		17,742.87	
Increase in Sundry Debtors	(3,838.64)		(21,955.97)	
Increase in Loans and advances	(249.05)		(1,819.73)	
(Increase)/Decrease in Inventories	(14,896.64)		2,837.82	
Increase in Current liabilities and Provisions	13,190.89		11,102.06	
Cash generated from operations	14,108.16		7,907.05	
Direct taxes paid	(5,202.41)		(5,221.22)	
Net Cash generated from operating activities		8,905.75		2,685.83
B. Cash flow from investing activities:				
Purchase of Fixed Assets	(1,890.52)		(1,880.29)	
Sale of Fixed Assets	56.92		183.86	
Interest Received	770.41		458.53	
Loan Granted to ESPS Trust	–		(46.28)	
Loan Settled by ESPS Trust	53.78		–	
Loan Granted to Subsidiaries	(52,002.00)		(52.40)	
Loan Settled by Subsidiaries	52,002.00		52.40	
Investments in subsidiaries	(13,811.84)		(10.78)	
Net Cash used in investing activities		(14,821.25)		(1,294.96)
C. Cash flow from financing activities:				
Proceeds from long term borrowing	2,500.00		–	
Proceeds from short term borrowings (net)	6,061.55		3,764.39	
Proceeds from issue of share capital	1,012.23		–	
Dividends Paid (including dividend tax)	(3,671.45)		(3,186.91)	
Interest paid	(3,586.18)		(4,131.86)	
Net Cash generated from/(used in) financing activities		2,316.15		(3,554.38)
Net decrease in cash and cash equivalents		(3,599.35)		(2,163.51)
Cash and cash equivalents at the beginning of the year		5,595.72		7,759.23
Cash and cash equivalents at the end of the year		1,996.37		5,595.72

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Wholetime Director

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place: Chennai
Date : May 21, 2010

Notes to Abridged Accounts for the year ended March 31, 2010

(Compiled from audited annual accounts of the Company)

1. Utilisation of Initial Public Offer (IPO) Funds as at March 31, 2010

(Rs. in Lakhs)

Details	2009-10	2008-09
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	**13,245.60**	11,697.70
Balance of IPO Funds used in working capital pending deployment	**653.90**	2,201.80

The proceeds of initial public offer are being utilized for the purposes stated in the offer document. The Company is seeking Share holder's approval for further time to utilize the balance funds beyond the stipulated period in the offer document at the ensuing Annual general meeting. **[Note No. 2(a) in the notes to accounts of the financial statements]**

2. Depreciation

Hitherto, the Company was depreciating fixed assets at rates specified under Schedule XIV of the Companies Act, 1956. During the year, the Company has reviewed the estimated useful life of all assets. In view of the revision in the estimated useful life of its assets, the unamortized depreciable amount is charged over the revised remaining useful life and consequently the depreciation charge for the year is higher by Rs. 959.11 lakhs with a corresponding impact on the profit for the year. **[Note No. 2(e)] in the notes to accounts of the financial statements]**

3. Dividend

Subsequent to the date of approval of the Annual Accounts by the Board and before the book closure date, 6,04,370 equity shares were allotted under the Redington (India) Limited Employee Stock Option Plan 2008 to employees and dividend of Rs. 24.17 lakhs on these shares were paid. The total amount of Rs. 28.28 lakhs including dividend distribution tax, have been appropriated from the opening balance of the profit and loss account. **[Note No. 2(r) in the notes to accounts of the financial statements]**

4. Contingent Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2010	As at March 31, 2009
1. Guarantees by banks on behalf of the Company	**281.10**	198.19
2. Corporate Guarantees outstanding		
• On behalf of subsidiaries	**48,060.62**	46,436.47
• Others	**321.68**	342.55
3. Bills Discounted	**2,614.30**	3,095.44
4. Factoring	**4,625.00**	5,825.00
5. Claims against Company not acknowledged as debts	**159.53**	139.20

6. The Company has in addition to the above issued letter of comfort /awareness to banks, with reference to compliance of terms and conditions of the facilities granted to its subsidiaries.

7. 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, 2010	As at March 31, 2009
The Customs Act, 1962	Customs duty	Various Years	Various appellate Authorities	**64.87**	24.82
Income Tax Act, 1961	Income Tax	Various years	Various appellate Authorities	**130.22**	43.91
Sales Tax Act of various states	Sales Tax	Various years	Various appellate Authorities	**719.13**	127.09
Central Sales Tax Act, 1956	Sales Tax	Various years	Various appellate Authorities	**61.08**	45.29

The Company has been legally advised that the company has a good case and hence no provision is considered necessary. The Company has paid Rs.226.13 lakhs under protest (P.Y. Rs.109.84 Lakhs), which has been considered as recoverable. **(Note No. 2(i) 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.9.72 Lakhs (P.Y. Rs.1582.25 Lakhs). **(Note No. 2(j) in the notes to accounts of the financial statements)**

6. **Events occurring after the balance sheet date**

After March 31, 2010, equity shares of Rs.10/- each fully paid up were issued and allotted at a pre-determined premium pursuant to the exercise of stock options under Redington (India) Limited Employee Stock Option Plan 2008.

Date of Allotment	No. of Shares
April 15, 2010	72,380
April 30, 2010	73,715
May 14, 2010	64,658

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

7. The Company's overseas step down subsidiary, Redington International Holdings Limited, a company incorporated in Cayman Islands issued and allotted 7,310 equity shares at USD 47.84 per share to the employees of the Company and its subsidiaries under an Employee Share Purchase Scheme. This has no financial impact or commitment on the Company. **(Note No. 2(n) in the notes to accounts of the financial statements)**

8. **Accounting for Financial Instruments**

The Company has recognized Mark to Market (MTM) Losses of Rs. 184.77 Lakhs (P.Year Rs.11.37 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. The company has not entered into any speculative/ other derivative transaction.

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

(Rs. in Lakhs)

Type of Contract	March 31, 2010	March 31, 2009
Forward Contracts entered into, to hedge the foreign currency risk of highly probable forecast transactions	**11,554.05**	5,973.03
Forward Contracts entered into for import creditors outstanding	**57,499.18**	37,156.30

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

9. **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**

Party where control exists	Redington Employee Share Purchase Trust

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

Subsidiary Companies	Nook Micro Distribution Limited, India * Redington (India) Investments Private Limited, India* Cadensworth (India) Limited, India* Easyaccess Financial Services 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 Redington Kenya (EPZ) Ltd., Kenya Redington Limited, Ghana Redington Uganda Limited, Uganda Africa Joint Technical Services, Libya RGF Private Trust Company Limited, Cayman Islands Cadensworth United Arab Emirates LLC, Dubai Redington Morocco Limited, Morocco Redington Tanzania Ltd, Tanzania Redington SL (Private) Limited, Sri Lanka

**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, 2010	Year Ended March 31, 2009
	Party Where Control Exists	Party Where Control Exists
Redington Employees Share Purchase Trust		
Interest Income	**0.67**	0.95
Trust Expenses	**NIL**	1.17
Amount Receivable at year end	**NIL**	0.76
Loan Granted	**NIL**	46.28
Dividend Paid	**1.39**	0.18
Loan Repaid	**53.78**	NIL
Loan Outstanding	**NIL**	53.78

(Rs. in Lakhs)

Nature of Transactions	Year Ended March 31, 2010	Year Ended March 31, 2009
	Parties with Significant Influence	Parties with Significant Influence
Redington (Mauritius) Limited		
Dividend Paid	**1,356.06**	1,186.56
Synnex Mauritius Limited		
Dividend Paid	**881.53**	771.34

(Rs. in Lakhs)

Nature of Transactions	Year Ended March 31, 2010	Year Ended March 31, 2009
	Subsidiary Companies	Subsidiary Companies
Nook Micro Distribution Limited		
Rent	**6.00**	6.00
Interest Income	**1.48**	1.78
Consultancy charges -Expenses	**4.00**	NIL
Sales/Service Charges- Income	**0.77**	NIL
Amount Receivable at year end (Net)	**10.01**	13.62
Investments at year end	**15.32**	15.32
Redington (India) Investments Private Ltd		
Sales/Service Charges - Income	**0.45**	NIL
Interest Income	**0.01**	NIL
Sales/Service Charges - Expenses	**3.00**	NIL
Loan Granted	**2.00**	NIL
Loan Repaid	**2.00**	NIL
Investments at year end	**5.00**	5.00
Easyaccess Financial Services Ltd		
Lease Rent	**NIL**	4.21
Sales/Service Charges - Income	**18.58**	58.64
Receivables Factored	**195,966.16**	185,780.63
Factoring Expenses	**910.26**	1,709.56
Interest Income	**281.81**	0.98
Amount Receivable at year end	**2.25**	22.19
Loan Granted	**52,000**	NIL
Loan Repaid	**52,000**	NIL
Equity Contribution	**13,800**	NIL
Investments at year end	**22,074.74**	8,274.74
Cadensworth (India) Ltd		
Purchase of Fixed Assets	**NIL**	0.41
Sales/Service Charges - Expense	**12.29**	10.33
Sales/Service Charges - Income	**2.45**	0.34
Interest Income	**NIL**	0.22
Amount Payable at year end	**5.26**	9.75
Loan Granted	**NIL**	52.40
Loan Repaid	**NIL**	52.40
Investments at year end	**612.27**	612.27

Redington Distribution Pte Ltd		
Trading Purchases	**2,604.04**	2,603.56
Sales/Service Charges	**2.15**	190.69
Trade Mark License Fees	**191.29**	189.33
Amount Payable at year end (Net)	**226.54**	367.60
Investments at year end	**1,762.81**	1,762.81
Corporate Guarantees given	**9,563.70**	10,803.36
Redington International Mauritius Ltd		
Equity Contribution	**11.84**	10.78
Investments at year end	**22.62**	10.78
Redington International (Holdings) Ltd		
Investments at year end	**21,412.33**	21,412.33
Redington Gulf FZE		
Amount Receivable at year end	**26.15**	0.22
Corporate Guarantees given	**29,516.92**	35,633.11
Cadensworth FZE		
Trading Purchases	**0.95**	1.07
Amount Payable at year end	**NIL**	0.51
Corporate Guarantees given	**8,980.00**	NIL

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

10. 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.

Particulars	Grant -I	Grant - II	Grant - III	Grant - IV
Date of Grant	29.02.2008	25.07.2008	28.01.2009	22.05.2009
Exercise Price (Rs.)*	348.05	319.90	130.00	165.00
Vesting commences on	28.02.2009	24.07.2009	27.01.2010	22.05.2010
Options granted	23,35,973	11,000	2,76,143	25,000
Options vested	14,32,084	5,500	1,38,072	–
Options Exercised	7,66,720	3,500	–	–
Options Lapsed during the year	65,135	–	–	–
Total Options outstanding and not exercised as on 31.03.2010	11,42,725	7,500	2,76,143	25,000

*19,59,830 options were repriced at Rs. 130/- on 28th January 2009.
*75,000 options were repriced at Rs. 165/- on 22nd May 2009.

Out of the lapsed options, the Board of Directors at their meetings had approved reissue of options as follows:-

Date of Grant	July 25, 2008	Jan 28, 2009	May 22,2009
No. of Options	11,000	2,76,143	25,000

The fair value of options based on the valuation of the independent valuer as of the respective dates of grant are given below:

Grant Date	29-Feb-08	Repriced on 28-Jan-09	Repriced on 22-May-09	25-Jul-08	Repriced on 28-Jan-09	28-Jan-09	22-May-09
Fair Value	171.33	25.56	33.04	159.71	23.77	47.46	79.82

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 on 29th February 2008. Subsequently, 19,59,830 and 75,000 options were re-priced at a Market price of Rs. 130/- and Rs. 165/- on 28th January 2009 and 22nd May 2009 respectively.

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)

	2009-10	**2008-09**
Profit after tax as per Profit and Loss Account (a)	**9945.61**	8068.86
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	**NIL**	NIL
Less: Employee Stock Compensation Expense as per Fair Value Method	**850.93**	2569.08
Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	**9094.68**	5499.78
Earnings per share based on earnings as per (a) above		
– Basic	**12.68**	10.36
– Diluted	**12.55**	10.36
Earnings per share had fair value method been employed for accounting of employee stock options as per (b) above.		
– Basic	**11.60**	7.06
– Diluted	**11.48**	7.06

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

11. Ratios

(i) Sales to total assets ratio - 3.74 Times (Previous Year - 4.21 Times)

(ii) Operating Profit / Closing Capital Employed - 17.71% (Previous Year - 18.71%)

(iii) Return on Closing Net worth - 14.71% (Previous Year - 13.13%)

(iv) Profit to sales ratio - 1.54% (Previous Year - 1.33%)

12. Previous year figures have been regrouped wherever necessary to conform to the current year's classification. **(Note No. 2(x) in the notes to accounts of the financial statements)**

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No	28758	State Code	18
Balance Sheet Date	31-03-10		

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	10515004	Total assets	10515004
SOURCES OF FUNDS			
Paid-up Capital	786360	Reserves & Surplus	5973415
Secured Loans	3095549	Unsecured Loans	659680
APPLICATION OF FUNDS			
Net Fixed Assets	683867	Investments	4590509
Net Current Assets	5215652	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV Performance of Company (Rs. in Thousands)

Turnover (incl. Other Income	64598814	Total Expenditure	63067236
+/- Profit/Loss before tax	1531578	+/- Profit/Loss after tax	994561
Earning per Share (in Rs.) (Basic)	12.68	Dividend Rate %	50
Earning per Share (in Rs.) (Diluted)	12.55		

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 21, 2010

Consolidated Abridged Financial Statements

AUDITOR'S REPORT ON 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, 2010 and also the abridged consolidated Profit and Loss account and the Cash Flow Statement for the year ended on that date both annexed thereto, together with significant 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, 2010 prepared by the management 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
(Registration Number: 008072S)

M K Ananthanarayanan
Partner
Membership No.19521

Place : Chennai
Date : May 21, 2010

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF REDINGTON (INDIA) LIMITED

1. We have audited the attached Consolidated Balance Sheet of REDINGTON (INDIA) LIMITED ("the Company"), its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group 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 on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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.
3. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect total assets of Rs.178,946.08 lacs, as at 31st March, 2010, total revenues of Rs. 735,525.80 lacs and net cash inflows amounting to Rs. 1,934.58 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries and joint ventures and associates, and to the best of our information and according to the explanations given to us, in our opinion, the 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 31st March, 2010;
   - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
   - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072 S)

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 21, 2010

ABRIDGED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

(INR in Lakhs)

	As At 31.03.2010	As At 31.03.2009
Sources of Funds		
(1) Shareholders' Fund		
a. Capital		
I. Equity	**7,863.60**	7,786.57
b. Reserves and Surplus		
I. Capital Reserve	**28,256.37**	32,505.05
II. Securities Premium Account	**33,726.64**	32,791.44
III. General Reserve	**2,896.77**	1,902.21
IV. Statutory Reserve	**423.02**	164.98
V. Hedge Accounting Reserve	**(184.77)**	(11.37)
VI. Employee Share Purchase Reserve	**11.05**	12.48
VII. Foreign Currency Translation Reserve	**(226.40)**	765.72
VIII. Surplus in Profit and Loss Account	**34,805.95**	24,302.52
Total	**99,708.63**	92,433.03
Total	**107,572.23**	100,219.60
(2) Minority Interest	**24,025.29**	24,133.16
(3) Loan Funds		
a. Unsecured Non-Convertible Debenture	**–**	6,400.00
b. Secured Loans (other than debentures)	**59,987.07**	33,140.42
c. Unsecured Loans	**54,872.26**	58,758.02
Total	**114,859.33**	98,298.44
Total	**246,456.85**	222,651.20
Application of Funds		
(1) Fixed Assets		
(a) Net block (Gross Block less Accumulated Depreciation)	**8,470.36**	7,646.71
(b) Capital advances	**1,210.35**	1,151.89
(2) Deferred Tax (Asset)	**337.58**	36.14
(3) (a) Current assets, loans and advances		
(i) Inventories	**98,284.92**	77,935.71
(ii) Sundry Debtors	**181,643.50**	140,456.70
(iii) Cash and bank balances	**58,260.21**	60,238.65
(iv) Loans and advances	**15,185.18**	14,658.53
Total	**353,373.81**	293,289.59
Less:		
(b) Current liabilities and provisions		
(i) Liabilities	**110,897.97**	74,626.85
(ii) Provisions	**6,037.28**	4,846.28
Total	**116,935.25**	79,473.13
Net current assets	**236,438.56**	213,816.46
Total	**246,456.85**	222,651.20

Refer notes to abridged financial statements

Compiled from the audited annual accounts of the company referred to in our report dated 21st May, 2010

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Wholetime Director

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 21, 2010

ABRIDGED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(INR in Lakhs)

	Year Ended March 31, 2010	Year Ended March 31, 2009
I. Income		
Sales & Service Income	**1,375,775.15**	1,266,827.48
Interest	**1,837.93**	1,296.08
Other Income	**252.22**	185.49
Total	**1,377,865.30**	1,268,309.05
II. Expenditure		
Cost of goods sold		
(i) Opening Stock	**77,935.71**	71,878.82
(ii) Purchases	**1,323,663.60**	1,206,625.95
(iii) Closing Stock	**98,284.92**	77,935.71
(i + ii - iii)	**1,303,314.39**	1,200,569.06
Trading expenses	**3,492.74**	3,247.48
Employee Compensation Costs	**16,043.57**	14,529.09
Managerial Remuneration	**506.37**	497.95
Interest	**6,637.62**	9,781.97
Depreciation	**2,343.15**	1,273.72
Auditor's remuneration	**306.98**	157.50
Bad Debts Written Off and Provision for doubtful debts	**1,495.18**	794.75
Other expenses	**16,133.59**	15,555.76
Total	**1,350,273.59**	1,246,407.28
III. Profit before tax	**27,591.71**	21,901.77
IV. Provision for taxation	**6,389.69**	4,998.02
V. Profit after tax	**21,202.02**	16,903.75
VI. Minority Interest	**2,769.04**	937.62
VII. Profit for the year	**18,432.98**	15,966.13
VIII. Dividend including Dividend Distribution Tax relating to previous year [Note no: 4(n)]	**28.28**	–
IX. Proposed Dividend - Equity Shares including Corporate Dividend Tax	**4,647.28**	3,643.98
X. Transfer to reserves/surplus	**13,757.42**	12,322.15
EARNINGS PER SHARE		
EPS – Basic (Face Value – Rs. 10 Per Share)	**23.51**	20.50
EPS – Diluted (Face Value – Rs. 10 Per Share)	**23.27**	20.50
Weighted Average Number of shares for calculating earnings per share		
Basic	**78,405,200**	77,865,746
Diluted	**79,221,236**	77,865,746

Refer notes to abridged financial statements

Compiled from the audited annual accounts of the company referred to in our report dated 21st May, 2010

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Wholetime Director

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 21, 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(INR in Lakhs)

Particulars	Year Ended March 31, 2010		Year Ended March 31, 2009	
Cash flow from operating activities:				
Net Profit before taxation	**27,591.71**		21,901.77	
Adjustments for:				
- Depreciation	**2,343.15**		1,273.72	
- Interest Expense	**6,637.62**		9,781.97	
- Interest Income	**(1,837.93)**		(1,296.08)	
- Provision for Doubtful debts	**1,464.87**		621.48	
- Provision for Doubtful debts written back	**–**		(2.69)	
- Bad debts written off	**30.31**		173.27	
- Provision for compensated absences	**50.19**		84.78	
- Provision for gratuity	**243.61**		541.89	
- Unrealised Foreign Exchange Variation (Net)	**120.31**		227.27	
- Equity settled reserve	**–**		12.48	
- (Profit) / Loss on sale of fixed assets	**2.81**		(5.39)	
Operating Profit before working capital changes	**36,646.65**		33,314.47	
Increase in Sundry Debtors	**(42,681.98)**		(33,367.01)	
Decrease in Loans and advances	**5,554.26**		1,513.24	
Increase in Inventories	**(20,349.21)**		(6,056.89)	
Increase in Current liabilities	**29,147.60**		1,872.12	
Cash used in operations	**8,317.32**		(2,724.07)	
Interest Paid by Financial Services Subsidiary	**(989.76)**		(1,444.69)	
Direct taxes paid	**(6,222.06)**		(5,800.89)	
Net Cash generated from/(used in) operating activities		**1,105.50**		(9,969.65)
Cash flow from investing activities:				
Purchase of fixed assets	**(3,487.04)**		(2,760.27)	
Proceeds from sale of fixed assets	**58.54**		188.33	
Interest received	**1,925.30**		1,296.08	
Loan granted to ESPS Trust	**–**		(46.28)	
Loan settled by ESPS Trust	**53.78**		–	
Deposits placed	**(3,893.78)**		–	
Investment in subsidiaries	**–**		(10.78)	
Net Cash used in investing activities		**(5,343.20)**		(1,332.92)
Cash flow from financing activities:				
Proceeds from issue of share capital by a subsidiary	**156.99**		34,402.13	
Proceeds from issue of share capital by parent company	**1,012.23**		–	
Proceeds from long term borrowing	**2,500.00**		–	
Proceeds from short term borrowings (Net)	**14,060.89**		19,903.08	
Dividends Paid, including dividend tax	**(3,671.45)**		(3,186.91)	
Interest paid	**(5,615.81)**		(8,337.29)	
Net Cash generated from financing activities		**8,442.85**		42,781.01
Net increase in cash and cash equivalents		**4,205.15**		31,478.44
Cash and cash equivalents at the beginning of the year		**60,238.65**		18,295.31
Opening cash balances of subsidiaries acquired & consolidated during the year		**–**		10.78
Currency Translation Adjustment		**(10,077.37)**		10,454.12
Cash and cash equivalents at the end of the year		**54,366.43**		60,238.65
Reconciliation of Cash and cash equivalents				
Cash and cash equivalents at the end of the year as per Balance Sheet		**58,260.21**		60,238.65
Less: Bank deposits held for more than three months		**3,893.78**		–
Cash and cash equivalents at the end of the year		**54,366.43**		60,238.65

In terms of our report attached

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
Wholetime Director

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 21, 2010

Notes to Abridged consolidated financial statements for the year ended March 31, 2010

(Compiled from audited annual accounts of the Company)

1. Basis of consolidation

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

a. Financial Statements of Redington (India) Limited and Easyaccess Financial Services 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, Chartered Accountants, Chennai.

b. Financial statements of Cadensworth (India) Limited, Nook Micro Distribution 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 M/s. A S Varadharajan & Co., Chartered Accountants, Chennai

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

d. 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 confirm to Indian GAAP wherever there are significant differences between Indian GAAP / Singapore Financial Reporting Standards / IFRS.

The audited financial statements of the Parent Company and its Indian subsidiaries and the consolidated financial statements of Redington International Mauritius Limited 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 using uniform accounting policies and 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. Minority Interest

The step down subsidiary issued and allotted 7,310 equity shares to the employees of the Parent Company and its subsidiaries under an Employee Share Purchase Scheme during the year.

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

3. 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. There are no amounts are outstanding as at March 31, 2010.

Bank borrowings of Redington Distribution Pte. Limited and Redington International Mauritius Limited are secured by assignment of insurance policies over inventories, Time deposits and continuing corporate guarantees of the Redington (India) Limited.

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

4. Dividends

Subsequent to the date of approval of the annual accounts by the Board and before book closure date, 6,04,370 equity shares were allotted under the Redington (India) Limited Employee Stock Option Plan 2008 to employees and dividend of Rs.24.17 lakhs on these shares were paid. The total amount of Rs.28.28 lakhs including dividend distribution tax have been appropriated from the opening balance in the Profit and Loss Account.

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

5. Contingent Liabilities

(Amounts in INR Lakhs)

Details	As at March 31, 2010	As at March 31, 2009
a. Guarantees by banks	**832.00**	740.80
b. Disputed Income Tax / Sales Tax / Customs Duty demands		
- Disputed customs duty	**64.87**	24.82
- Disputed sales tax demand	**780.21**	172.38
- Disputed Income tax demand	**136.19**	49.88
c. Letter of Credit	**2402.15**	2333.12
d. Bills discounted*	**2584.94**	5341.40
e. Claims against the Company not acknowledged as debts	**162.24**	139.20
f. Corporate guarantees issued to others	**321.68**	342.55
g. Factoring*	**2000.00**	4250.00

* Net of intra group transaction

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

6. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.2467.41 lakhs (Previous year Rs 1618.79 lakhs)

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

7. 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.

Particulars	Grant - I	Grant - II	Grant - III	Grant - IV
Date of Grant	29.02.2008	25.07.2008	28.01.2009	22.05.2009
Exercise Price (Rs.)*	348.05	319.90	130.00	165.00
Vesting commences on	28.02.2009	24.07.2009	27.01.2010	22.05.2010
Options granted	23,35,973	11,000	2,76,143	25,000
Options vested	14,32,084	5,500	1,38,072	-
Options Exercised	7,66,720	3,500	-	-
Options Lapsed during the year	65,135	-	-	-
Total Options outstanding and not exercised as on 31.03.2010	11,42,725	7,500	2,76,143	25,000

* 19,59,830 options were repriced at Rs. 130/- on 28th January 2009.

* 75,000 options were repriced at Rs. 165/- on 22nd May 2009.

Out of the lapsed options, the Board of Directors at their meetings had approved reissue of options as follows:-

Date of Grant	July 25, 2008	Jan 28, 2009	May 22,2009
No. of Options	11,000	2,76,143	25,000

The fair value of options based on the valuation of the independent valuer as of the respective dates of grant are given below:

Grant Date	29-Feb-08	Repriced on 28-Jan-09	Repriced on 22-May-09	25-Jul-08	Repriced on 28-Jan-09	28-Jan-09	22-May-09
Fair Value	171.33	25.56	33.04	159.71	23.77	47.46	79.82

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 on 29th February 2008. Subsequently, 19,59,830 and 75,000 options were re-priced at a Market price of Rs. 130/- and Rs. 165/- on 28th January 2009 and 22nd May 2009 respectively.

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:

(Amounts in INR lakhs)

	2009-10	2008-09
Profit after tax as per Profit and Loss Account (a)	**18,432.98**	15,966.13
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	**NIL**	NIL
Less: Employee Stock Compensation Expense as per Fair Value Method	**850.93**	2569.08
Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	**17,582.05**	13,397.05
Earnings per share based on earnings as per (a) above - Basic	**23.51**	20.50
Earnings per share based on earnings as per (a) above - Diluted	**23.27**	20.50
Earnings per share had fair value method been employed for accounting of employee stock options - Basic	**22.42**	17.21
Earnings per share had fair value method been employed for accounting of employee stock options - Diluted	**22.19**	17.21

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

8. Accounting for Financial Instruments

The Parent Company has recognized Mark to Market (MTM) Losses of Rs. 184.77 lakhs (PY - Rs. 11.37 Lakhs) as of March 31,2010 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. The Parent Company and its subsidiaries has not taken any forward contract for speculative purposes.

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

9. Events occurred after Balance Sheet Date

After March 31, 2010, equity shares of Rs.10/- each fully paid up were issued and allotted at pre-determined premium pursuant to the exercise of stock options under Employee Stock Option Plan 2008.

Date of allotment	No of Shares
April 15, 2010	72,380
April 30, 2010	73,715
May 14, 2010	64,658

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

10. Related Parties

i) Key Management Personnel

Mr. R Srinivasan, Managing Director
Mr. Raj Shankar, Deputy Managing Director
Mr. M Raghunandan, Wholetime Director

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. 39.06 Lakhs (2008-09 Rs. 43.08 Lakhs) (Key Management Personnel of Parent Company). Rs.467.30 Lakhs @ (2008-09 - Rs. 454.87 Lakhs) (Key Management Personnel of Overseas subsidiaries).

@ Remuneration paid by overseas subsidiaries includes amounts paid to Managing Director and Deputy Managing Director of the parent company. They however, do not receive any remuneration from the parent company.

iv) Nature of Transactions

(Amounts in INR Lakhs)

Nature of transaction	Party where control exists	
	2009-10	2008-09
Interest Income	**0.67**	0.95
Dividend Paid	**1.39**	0.18
Trust Expenses	**NIL**	1.17
Loan granted	**NIL**	46.28
Loan repaid	**53.78**	NIL
Loan outstanding	**NIL**	53.78
Amount Receivable at the end of the year	**NIL**	0.76

(Amounts in INR Lakhs)

Nature of transaction	Parties with Significant Influence	
	2009-10	2008-09
Redington (Mauritius) Limited		
Dividend Paid	1,356.06	1186.56
Synnex Mauritius Limited		
Dividend Paid	881.53	771.34

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

11. Ratios

(i) Sales to total assets ratio 3.77 - (Previous Year - 4.19)

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

(iii) Return on Closing Net worth 16.43% - (Previous Year - 15.37%)

(iv) Profit to Sales ratio - 1.34%(Previous Year - 1.26%)

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

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

Statement pursuant to 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 Micro Distribution Limited	INR	1.0000	5.00	7.36	23.49	11.13	–	6.00	2.19	1.74	0.45	–	INDIA
2	Redington (India) Investments Private Limited	INR	1.0000	5.00	5.97	11.08	0.11	–	3.00	0.13	0.04	0.09	–	INDIA
3	Easyaccess Financial Services Limited	INR	1.0000	15103.00	8676.12	58278.18	34499.06	–	3460.28	1977.46	687.29	1290.17	302.06	INDIA
4	Cadensworth (India) Limited	INR	1.0000	130.13	1089.58	1283.17	63.46	–	371.63	18.31	9.36	8.95	–	INDIA
5	Redington Bangladesh Limited	TAKA	0.6487	19.46	6.97	31.73	5.30	–	–	2.13	–	2.13	–	BANGLADESH
6	Redington Distribution Pte. Limited	USD	44.9000	1796.00	2530.51	15304.48	10977.97	–	70821.67	874.09	171.09	703.01	–	SINGAPORE
7	Redington Gulf FZE	AED	12.2250	1467.00	48125.45	151335.87	101743.42	–	595975.78	4626.47	49.98	4576.49	–	UAE
8	Redington Gulf and Co. LLC	RO	116.60	174.90	82.49	502.73	245.34	–	783.67	82.70	5.48	77.22	–	OMAN
9	Redington Nigeria Limited	NN	0.2999	29.99	(480.20)	7516.30	7966.51	–	35962.62	409.70	63.63	346.07	–	NIGERIA
10	Redington Egypt Limited	LE	8.4864	4.24	133.39	3831.68	3694.05	–	14187.81	66.08	16.30	49.78	–	EGYPT
11	Redington Kenya Limited	SH	0.5811	5.81	(483.67)	8129.18	8607.04	–	2010327.95	484.08	–	484.08	–	KENYA
12	Cadensworth FZE	AED	12.2250	122.25	3861.06	13439.88	9456.57	–	40266.28	988.45	–	988.45	–	UAE
13	Redington Middle East LLC	AED	12.2250	36.68	1181.39	7279.19	6061.12	–	47516.49	333.44	–	333.44	–	UAE
14	Redington Qatar WLL	QR	12.3392	24.68	687.82	1108.27	395.77	–	2066.74	276.08	42.56	233.52	–	QATAR
15	Redington Africa Distribution FZE	AED	12.2250	122.25	1306.24	16776.95	15348.46	–	127169.10	1278.62	–	1278.62	–	UAE
16	Redington Arabia Limited	SR	11.9710	119.71	753.38	2428.17	1555.08	–	4330.93	114.53	29.33	85.20	–	SAUDI ARABIA
17	Redington Bahrain SPC	BD	119.0716	59.54	(5.42)	286.15	232.03	–	576.65	56.57	–	56.57	–	BAHRAIN
18	Redington Qatar Distribution Company W.L.L.	QR	12.3392	24.68	(10.09)	96.34	81.75	–	–	31.02	–	31.02	–	QATAR
19	Redington International (Holdings) Limited	USD	44.9000	6.71	67789.35	67830.81	34.75	–	–	(10.78)	–	(10.78)	–	CAYMAN ISLANDS
20	Redington International Mauritius Limited	USD	44.9000	22.45	(14.72)	13.35	5.62	–	–	(8.23)	–	(8.23)	–	MAURITIUS
21	Redington Kenya EPZ Limited	SH	0.5811	0.58	(32.18)	1298.42	1330.02	–	3887.93	10.48	–	10.48	–	KENYA
22	Africa Joint Technical Services Company	LD	35.3994	106.20	7.65	177.28	63.43	–	137.23	10.21	1.94	8.27	–	LIBYA
23	Cadensworth UAE LLC	AED	12.2250	36.68	273.20	7254.24	6944.36	–	8189.96	289.21	–	289.21	–	UAE
24	Redington Limited	GHS	31.6238	175.67	1.02	1349.72	1173.03	–	1241.01	3.92	2.82	1.10	–	GHANA
25	Redington Uganda Limited	UGS	0.216	3.25	0.66	708.74	704.83	–	825.47	1.88	1.15	0.73	–	UGANDA

RGF Private Trust Company Limited, Cayman Islands, Redington Morocco Limited, Morocco, Redington Tanzania Ltd., Tanzania and Redington SL (Private) Limited, Sri Lanka 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; GHS - Ghanaian Cedi; UGS - Uganda Shilling; LD - Libyan Dinar.

AWARDS & ACCOLADES

- Best Distributor of the Year by NetApp.
- Best sales performance award for APAC region by Kodak.
- Best performer in IWS and LES consumer category by HP.
- APJ most outstanding partner of the Year – 2009.
- APAC Partner with Highest growth – 2009 by Ncomputing.
- Best Channel Partner 2009 - GCC Channel Awards.
- Best After Sales Services - Choice of Channel Awards (COC) 2009.
- Distributor of the year 2010 - Channel Middle East Awards.
- Distributor of the year award – H&BN.
- Best Distributor Award for MENA region.
- Best Specialty Distributor by CISCO for Nigeria.
- Volume Retail Distributor of the year award in ME RETAIL Academy awards.
- Best Channel in the Asia Pacific region for HP Indigo Business.
- Best performing country in the Asia Pacific Region for HP Indigo Business.
- Best customer experience for Asia pacific region for HP Indigo Business.
- Best Partner in Asia Pacific and Japan region for sales, service and support- HP Indigo.

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