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## Brand Promise

As the Brand behind Brands, we believe in building strong partnerships with all our stakeholders. We innovate with an aim to empower. And we commit to creating outstanding value for our investors, shareholders and staff alike.

At Redington we like to understate our capability but believe we should over-deliver on our commitments.

We like to be cautious in our approach but believe we should take measured risks when needed.

We like to bring a local flavor wherever we do business but we believe it is important to think with a global mind.

At Redington we handle a package day in and day out but we believe we fuel an experience.

## corporate information

<b>chairman</b>	Prof. J Ramachandran
<b>managing director</b>	R Srinivasan
<b>deputy managing director</b>	Raj Shankar
<b>whole-time director</b>	M Raghunandan
<b>directors</b>	R Jayachandran Tu, Shu-Chyuan Lin Tai-Yang Nainesh Jaisingh N Srinivasan William Adamopoulos
<b>company secretary</b>	M Muthukumarasamy
<b>statutory auditors</b>	M/s Deloitte Haskins & Sells Chartered Accountants
<b>internal auditors</b>	M/s Pricewaterhouse Coopers Chartered Accountants

<b>bankers – india</b>	ANZ Banking Group Limited Bank of Nova Scotia Barclays Bank PLC BNP Paribas Citi Bank N.A DBS Bank Limited Deutsche Bank AG First Rand Bank HDFC Bank Limited HSBC 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 YES Bank Ltd
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<b>bankers – overseas</b>	Axis Bank, Dubai Bank of Baroda, Dubai Barclays Bank, Dubai BNP Paribas, Dubai BNP Paribas, Singapore Dubai Islamic Bank, Dubai Emirates Bank, Dubai Exim Bank, India First Gulf Bank, Dubai HSBC, Dubai HSBC, Singapore ICICI Bank, Bahrain Mashreq Bank, Dubai May Bank, Singapore National Bank of Fujairah, Dubai OCBC Bank, Singapore Standard Chartered Bank, Dubai Standard Chartered Bank, Singapore State Bank of India, Bahrain UCO Bank, Singapore
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## message from the managing director



Dear Shareholder,

It gives me great pleasure to address you on the successful completion of five years of public listing of your Company. These five years were tumultuous years in terms of global and local uncertainties. Starting with the Lehman crisis in 2008, followed by the meltdown in Dubai and in quick succession by the Arab spring, there never was a dull moment. Not to be left out, the political paralysis in decision making in India together with the steep fall in the value of the rupee was the last straw. Your Company took all this in stride and continued to deliver creditable performance year after year. Later in the report we have shared your Company's performance over the last five years.

Coming specifically to the year under review (2011-12) after a short phase of recovery, the business environment once again became challenging during the second half fiscal 2011-12. Our diversity in terms of the geographies, a large bouquet of vendors and well balanced product lines enabled your Company to take maximum advantage of the available growth opportunities. This enabled your Company to maintain its growth record even in the most difficult of business environments. While detailed financial metrics are discussed later in the report, I would like to share here some of the important events in the year gone by as well as thoughts on the future ahead.

Your Company maintained its record of strong performance in all geographies it operates in. Well established prudent business and fiscal practices remained the corner stone of the performance. During the last financial year, your Company's overall revenue increased by 26.9%, EBIDTA by 34.3% and PAT by 29.5%. The numbers do reflect a sterling performance.

Your Company in the past declared around 20% of its profits as dividends and returning value to its shareholders.

While the business environment and the existing financial commitments of the Company would warrant the retention of the entire profits of the Company this year, your Directors feel it is important to share some profits with the shareholders. They have recommended a dividend of ₹ 0.40 on equity share of ₹ 2/-, each giving a dividend of 20% for financial year ended 31st March 2012.

In the Indian capital market, companies are labeled as per "Promoters" who run them. Even the capital market regulator SEBI, at the time of submitting the DRHP for an IPO wants detailed information on the "Promoter / Promoter Group". Your Company is "Management run" and "Professionally managed". Wanting to continue this it was felt no shareholder group should own more than 25%. With this objective the promoter group and strategic shareholders in July 2011 brought down their respective shareholding to below 25%. This enabled Standard Chartered Private Equity to acquire 11.99% stake in the Company. Your Company belongs to a small group of companies in India which are seen as Management run.

If you recall in November 2008 Investcorp (IVC) had taken a 26% stake in the Middle East and Africa operation of your Company. This was at the height of the financial crisis in Dubai. At the end of three years in November 2011 your Company felt that the buyback of shares was in the best interest of Redington India shareholders. Redington International Mauritius (100% Subsidiary of Redington India), in February / March 2012, bought back the shares of IVC along with the employee's stake of 4% in Redington International Holdings Limited. After evaluating various options of funding, your Board of Directors preferred to raise a 5 year loan to fund this transaction.

Your Company's maiden overseas acquisition, Arena, has completed its first full year of operation as a group Company. While tackling severe, country-specific challenges, Arena's

fundamental organizational strengths have allowed it to launch several initiatives to take maximum advantage of all available opportunities in a difficult market. As of now Arena has not yet met our investment objective.

Explosion of Data and Data analysis across industry and user segments has brought Storage technology and offerings of your Company's various vendors into sharp focus. While your Company partners all major storage vendors in their Go-To-Market strategies, EMC, the world's leading independent storage brand, has chosen your Company as its strategic partner in India. To fully exploit this partnership, we have decided to handle the EMC business under the banner of your Company's 100% owned subsidiary, Cadensworth (India) Limited. The unique nature of this partnership, where Cadensworth would provide significant mileage to EMC's operations in India demonstrates the value-proposition that your Company offers to its key vendors.

Notwithstanding significant challenges that Research In Motion faces in its efforts to retain its position in the worldwide Smartphone market, its brand – BlackBerry – continued to be an aspirational product for Indian customers. The business line retained its impressive growth momentum, providing your Company a very strong presence in the smart-phone segment.

In a significant development that should maintain your Company's engagement in the mobility space, at the start of the current financial Year, your Company's overseas subsidiary Redington Gulf FZE has started distribution of Samsung mobile devices, both the normal feature phones and the smartphones, in the Africa regions. Samsung's tremendous brand recognition would enable your Company gain significant share of the mobility business in the markets where it operates.

In India we are continuing to see good growth in the Apple range of products, with the new iPad getting launched within a month of its global launch and with iPad continuing to dominate the tablet category. The Indian market is also witnessing significant increase in the number of Mac users. Since your Company is an important distributor for the vendor, we expect to leverage the business opportunity fully.

With a 25% growth YoY, the Indian Logistics management & services business is amongst the fastest growing business verticals. The explosion in consumption of all categories of consumer goods and the accelerating demand in the manufacturing and construction sectors have placed a premium on well managed, dependable Logistics service offerings. Your Company's offering in the 3PL services is steadily gaining recognition and has attracted customers across a variety of industry segments. Your Company's first "Automated Distribution Center(ADC)" at Chennai, which has been operational since Q2 of FY 09-10, has now reached an occupancy level of 70% and has achieved

the "cash break-even" during the last fiscal year. It is my firm belief that investments in ADCs and your Company's growing experience in managing 3PL/4PL services will offer us extremely interesting business opportunities in the years to come.

The Distribution model of consumer durable products of your Company is very similar to the micro distribution model employed by Nook Micro Distribution Limited, a Wholly Owned Subsidiary of your Company. Your Company felt that it would be appropriate to align the Consumer Durable business under Nook's umbrella in the current year with the belief that this alignment would enhance operational efficiency of the consumer durable business.

As we look ahead, we feel that the global markets are becoming more challenging than ever before. The slowing growth of some of your Company's vendors as well as the slowing of the economies in which it operates will have some bearing on the performance of your Company too. There will be new developments and alliances, as well as new opportunities and challenges. In such an environment only the speedy and nimble will succeed.

Looking at the current fiscal year our outlook is very cautious. In India, above all we are looking to the rupee to attain some degree of stability. In the last six months the rupee has seen a precipitous fall and the end is not in sight. It has become extremely difficult to manage the exchange volatility. Your Company's policy is to hedge its exchange commitments. However the steep depreciation in the rupee will have its impact on the demand.

The past 5 years have proved that your Company has the capability to overcome most business challenges. As I look back on what your Company has been able to achieve over the years and the strengths and capabilities that we have built up, I feel confident about the Company's continued well-being in the coming future. Your Company would no doubt face immense challenges – both specific to the industry in which it operates as well as those relating to the markets in which it operates. However, the foundation that we have laid coupled with the fundamentally strong business practices that we have developed and practiced should see your Company continue to deliver "best-in-class" performance in any given scenario.

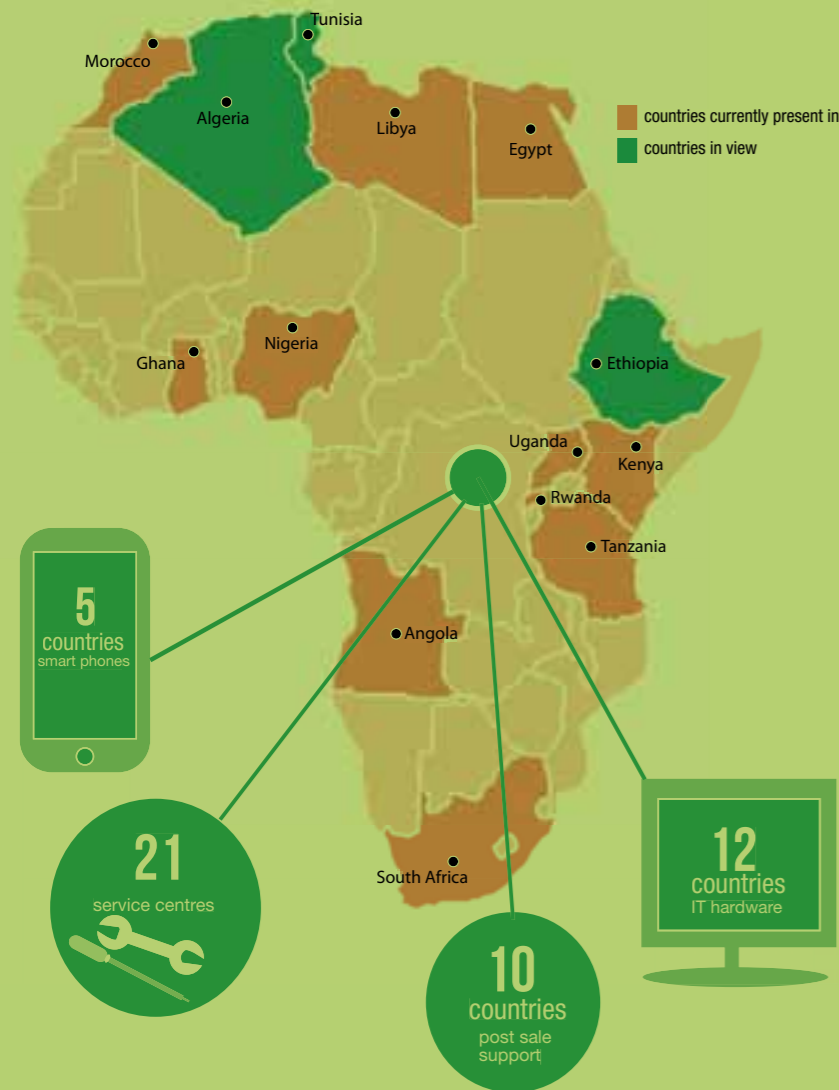
I wish to take this opportunity to thank my fellow Directors on the Board, employees and all other constituents for their support and more specifically our shareholders for their abiding trust in Redington and look forward to their continued support in the coming years.

With warm regards

R. Srinivasan

## bridging the digital divide in Africa

With more than one-eighth of the total population of the world distributed over a land area representing slightly more than one-fifth of the earth's land surface, Africa is today the fastest urbanizing region in the world. Available statistics indicate a rate of 3.5% per annum. By 2030, the continent's population is projected to grow to 1.3 billion and the proportion of urbanized Africans is expected to reach nearly 58% of the total population (760 million) as compared to 39% in 2005. Notably this demographic will be astonishingly young and create a strong impact on Africa's patterns of consumption.



Redington is in the middle of a cultural and economic transformation in Africa and effectively bridges the digital divide in the continent



Redington first chose emerging markets nourished by rich oil fields where there was a significant business opportunity for IT hardware

There is already enough evidence of an increasingly aspirational middle-class in the large cities of present day Africa who are driven by Western ideologies and consumption traits. The prosperity of this new and distinctive social stratum, if only slight, is making its presence felt and is nudging Africa's purchasing power north. Demand for computers, computer-related products and services, electronics, and cell phones is sweeping through most countries in the continent, and these collectively represent the most promising market in the world today .

Redington entered this geography, specifically Nigeria, in 2003 and in 2004 set up an entity in Lagos. Encouraged by the buying patterns of cash rich traders in Africa who were importing large quantities of branded IT goods from Dubai, Redington determined that proximate availability of the products would be critical in making their venture

successful. Today Redington is the leading distributor of IT and IT-related products and services. In increasing its footprint, Redington first chose emerging markets nourished by rich oil fields where there was a significant business opportunity for IT hardware. Redington also chose English speaking regions with significant Asian and Indian diaspora—Sub-Saharan Africa with Nigeria and Ghana in the West, and Kenya, Tanzania, Ethiopia, and Uganda in the East. Building on the experience gained in these countries and armed with a successful business model and an efficient in-country infrastructure supported by experienced people, Redington is now all set to move towards North Africa —Morocco, Libya, Algeria, and Tunisia—and into South Africa over the next three years.

Despite its deep experience in supply chain management and world-class business practices, Africa was however initially a new ball game for Redington. They had to devise a creative distribution strategy very different from other markets like India and the Middle East. For one, most customers in Africa operated in a very informal environment, selling wares like cell phones out of roadside stalls and pushcarts. In Uganda for example, the first African country to record more mobile sales than those of fixed telephones, only about a quarter of the population has a mobile subscription, but street vendors offer mobile access on a per-call basis. They also invite those without access to electricity to charge their phones using car batteries. As a result, Redington learnt a new way of doing business. Within the Company's risk framework they made credit decisions founded on trust rather than on financial statements. Events have proved that the trust was not misplaced. Additionally they conceived efficient ways of reaching the products to customers while operating in an environment fraught with risk and security related issues. Importantly, they did not take advantage of the non-availability of IT products, but priced their products competitively.

While prospects for business are admittedly huge in Africa, success really depends on how well a Company can adapt and customize its services to suit local ways; how well they can face fierce competition from local distributors who intrinsically understand the game and its nuances much better. It is against this market backdrop that Redington made a foray into this greenfield and established its business.

While prospects for business are admittedly huge in Africa, success really depends on how well a company can adapt and customize its services to suit local ways



Cisco's Special Distributor Partner of the Year Award for Africa

It is no mean achievement that today Redington distributes IT hardware products in 12 countries, mobile and Smart phones in 5 countries, and provides post sales support in 10 countries through 21 Redington Service Centers. Nearly 60% of the total Africa sales came from the cell phone segment last year. Popular mobile services include money transfers and facility for people without bank accounts to send money by text message. Many farmers in Africa have started to use mobiles for trading commodities and they check market prices on their phones.

It is to the team's credit that Redington's Africa success has come in largely unfamiliar territories. Being the first international player in Africa for IT products distribution, there were no contemporary best practices for Redington to learn from. They devised their *modus operandi* as they went along. Remarkably this became the ace in their hands.

Because of the nature of its business, Redington is right smack in the middle of a cultural and economic transformation in Africa and effectively bridges the digital divide in the continent through distribution of IT and Telecom products. Redington has the widest network of service centers in Africa and is one of only a few distributors with presence in so many countries. The astonishing growth of mobile telephony in the continent is a good story to tell. And by all accounts, a robust one. Consumption is expected to grow even more rapidly with economic liberalization, better network facilities and bigger offerings in consumer electronics. It is fascinating to note that enterprises like Redington while going about their day to day business, are in fact contributing to Africa's development in amazing ways. Studies have indicated that there is correlation between mobile phone uptake and socio-economic progress due to the ensuing economic activity people engage in as a result of owning a cell phone. *"In Africa, as in other developing areas, the mobile phone is a tool that is, at once, equalising and empowering, and has allowed those marginalised in society to participate in the mainstream economy."* The story of Redington in Africa then is only just beginning.



Redington today boasts of one of the largest networks of stable and established service centers across the country

## differentiating through support services

The choice available in the markets today combined with increasing demand in every nook and corner for IT and Telecom products including lifestyle products, gadgets, and businessware, has put increasing pressure on brands to penetrate deeper into newer and remote territories, even small towns and villages. On the back of this strategy some important questions pop up for the vendor and for the brand itself: How do I provide after sales quality service for my brand's suite of products? How do I stand behind my service guarantee to my customers in remote corners, small towns and villages across such a wide region? How do I keep my customers happy? Redington stepped in to provide the answers.

The Company forayed into support services in 1994 in a modest way. It was appointed as Master Parts Seller for Hewlett Packard (HP) to sell genuine HP parts and later in the year as service provider for HP printers at 5 locations. By 1998 this network had expanded to 19 locations, included many more brands, and

was servicing multiple products like computers, monitors and printers.

2002 was a milestone year for Redington services — they increased their footprint to 38 locations, started servicing telecom products, computerized their business and deployed on-line systems for their end to end service operations. In 2003 Redington offered services to its vendors as an end to end post sales services provider. For those who took advantage, Redington became the single point of contact for post sales services. It offered a variety of facilities ranging from Call Center support for end users to register their complaints through a national toll free number to get technical and warranty service support, to warehousing facilities around the country for parts, forward and reverse logistics for parts, field support through a network of service centers, development of CRM and SCM systems to meet vendor specific requirements and an easy mechanism for testing and re-export of defectives.

With the increase in mobile phone usage in India's tier 3 and 4 towns, the Company enlisted authorized service partners in these towns to meet service demands. The initial number of 100 locations soon grew to 200 by 2010. Resources in these centers were trained by Redington to provide superior and timely service. Redington today boasts of one of the largest networks of stable and established service centers across the country. All partner service centers operate on-line on the Company's CRM and SCM systems. Today, through 70 owned service centres, supported by a certified franchisee network of 220 service partners, Redington provides the full spectrum of warranty & post-warranty services to customers of its product vendors. The Company's support service is ISO 9001:2008 certified and is in the process of being certified for ISO 20000 compliance. Every month more than 100,000 customers avail services from Redington from across the country for various products.

It is noteworthy that understanding the enormous value Redington brings to the table through these services, many vendors approach the Company for third party logistics services. Redington differentiates itself from the pack by not only offering end to end logistics support but by also engaging in planning and forecasting to ensure optimum stock levels and maximum availability to fulfill commitments. They also manage end of life stock and scrapping.

To maintain the high standards and superior quality of service, Redington started to issue annual maintenance

contracts and post-warranty paid repairs. It offers a range of IT Infrastructure Services to corporate customers based on individual need, including Help Desk support, Comprehensive Annual Maintenance contracts and Facility Management Services. Multinationals who deal with Redington like the convenience of a single service provider across India for all their service needs. Redington is the authorized pre-sale and post-sales support partner for some global brands in enterprise space for voice and data, storage and networking products and services.

Recognizing that service demands were increasing and timely response was critical, Redington went a step further in 2010 and invested in setting up a central Network Operations Center (NOC) to provide Remote Infrastructure Management (RIM) support to corporate clients. With automatic diagnosis and resolution capabilities, most of the common problems are proactively resolved without human intervention. This has helped in many ways — it has reduced travel time and manpower costs and enhanced the quality of personnel the Company deploys for addressing issues. Redington aims to deploy remote support at all client sites that are currently availing maintenance contracts and facility management services so as to deliver more efficient and superior service. Redington's professional and neutral approach has made the Company the preferred choice as a support partner for many reputed global brands.



## going the whole nine yards



In tandem with its brand promise of being an end to end supply chain solutions provider and founded on its twenty five year distribution experience and strong network of 69 warehouses, Redington in 2008 ventured into third party and reverse logistics for telecom, IT Hardware, Consumer Durables and FMCG. In India alone Redington already had close to a million square feet of warehouse space spread across 70+ metros in the country. It had the clout of a strong distribution network with well trained and experienced staff and offered value adding services like packing, bar-coding, stickering, kitting, bundling, OCI, and shrink wrapping to the brands it supports. It was but logical that the Company would extend its 3PL and reverse logistics services pan India.

Redington handles 100,000 tons of goods per annum through multimodal agencies to enable road, rail, and air transportation

The Company's warehouse in Chennai, the first automated distribution center it set up in 2009, is literally state-of-the-art. It is built on a sprawling 12 acre property with a warehouse capacity of 2.25 lakh square feet. It has 24 docks, dock levelers and cross docks and comes with the assurance of 24 x 7 power supply. It is fitted with G+7 levels for racking and G+3 shelves for storing small items and offers storage options for the smallest package all the way up to half pallets, full pallets and bulk items. All items big and small are bar-coded. The entire warehouse is Wi-Fi enabled. Processes are system driven and tasks are managed through hand held devices. The material handling equipments are from Toyota BT in Sweden and the WMS (eBiznet) is from

M/s Seven Hills. The Company's Warehouse Management Software (WMS) enables its clients to check the status of their orders online from their own offices. The warehouse is fitted with very narrow aisle racks from Schaefer, Germany, optimizing warehouse space and making it faster for the VNA reach truck to maneuver a variety of equipment for handling pieces, cases and pallets around the facility. From a safety perspective, the distribution center is equipped with fire sprinklers and yard hydrants, smoke and beam detectors.

Redington offers the entire gamut of 3PL logistics to its clients – import clearance, warehousing, primary, secondary and last mile deliveries, reverse logistics supported by a call center and a consignment sale agency model.

Redington offers 3PL services for IT, telecom, lifestyle, and FMCG products and construction products, non-hazardous chemicals like paints, consumer durables and household electronic goods. The highly experienced team that supports this service first studies the potential client's operations and maps all their requirements which it then benchmarks with best of breed practices. It proactively eliminates any existing redundancy and offers a cost effective proposal. The dedicated Redington team can take responsibility for transition, process control implementation, compliance, and manpower recruitment

and training, continuous monitoring and periodic review of the operations, periodic hygiene and process audits, SOP training for process improvements and evaluation of performance using KPIs of customer service levels.

Local deliveries are made through dedicated vehicles and through contracted local operators for piece meal loads. For up country deliveries, part loads are sent through express cargo and full loads through contracted vehicles at economical rates with assurance of quick delivery. Redington handles 100,000 tons of goods per annum through multimodal agencies like road, rail and air transportation.

Clients enjoy the benefits of enhanced service levels in the warehouses and better turn-around times in transportation. Status reports and tracking information is available at the click of a mouse. Most importantly, Redington offers these end to end value added services all under one roof in a dedicated multi client facility which offers economies of scale that the Company passes back to the client. It also enables easy scalability for seasonal business needs. Because of its enormous and impressive experience in supply chain management, Redington differentiates itself by offering ideas and solutions which are best suited for a client's business together with the advantage of a one stop shop to meet their objectives.



Redington offers these end to end value added services all under one roof in a dedicated multi client facility which offers economies of scale that the Company passes back to the client





## nurturing the last mile

Nook essentially caters to the last mile distribution and addresses the needs of partners with small value billings

Around 2010, Redington started to see a new landscape unfolding in IT distribution. Heralded by increasing IT penetration into remote corners of the country, challenges began to arise in reaching products to retailers and into the hands of consumers. In-depth penetration and distribution were the answer but there were limitations as to how much it could do as a national distributor to address the needs of tier 3, 4 and 5 retailers and resellers. Vendors as a practice rely on regional resellers to address these requirements of the supply chain. But in reality there are limitations here as well.

In response to this market need and with a view to increasing its reach into small tier 3, 4 and 5 towns Redington focused on micro distribution through its wholly owned subsidiary, Nook Micro Distribution Limited. Nook essentially caters

to the last mile distribution and addresses the needs of partners with small value billings. The Company has a presence in the four southern states of India – Tamil Nadu, Andhra Pradesh, Kerala and Karnataka and currently has partners in 200+ towns across these states.

Micro-distribution requires a very different approach as compared to wholesale distribution. The operational and supply chain processes including credit management have to be tailor made to address this channel. The Nook business model reaches out to all the potential towns in the market and establishes direct engagement with the final tier of the channel, the last mile in distribution – the Reseller and Retailer. The registration process is simple, and a basic credit limit with flexible payment terms is extended to start transactions immediately. A dedicated field team manages

a set of accounts in their territory and they communicate regularly with the partner. It is interesting that in a few locations the distribution warehouse is kept close to or within the market itself so that delivery to the channel in the main market is almost instantaneous. This is the one big differentiator for Nook.

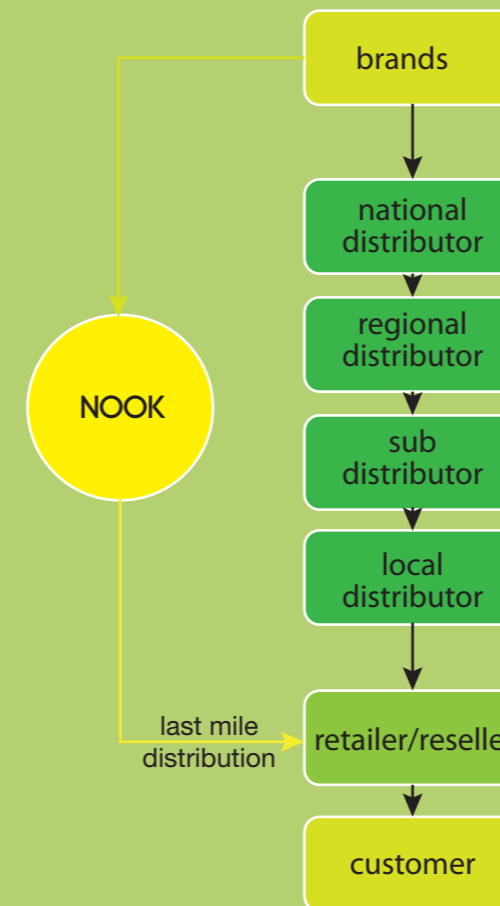
Nook distributes IT, non-IT products and consumer durables through approximately 1500 retail and reseller partners and deals with a number of leading brands. The size of the partners in this business model is small as compared to the regular distribution; and the system allows them to bill small quantities, even 1 or 2 items.

Nook has to run a cost effective operation to be profitable. A low cost business model is what will work best to handle what is essentially a low value high volume business. Nook's credit decisions are secure but based more on relationship and market knowledge rather than on ratings and collaterals. And since they are closer to the end customer, they have a direct feel for market pulse and

are able to predict demand through reseller feedback and analysis. It is standard practice at Nook to stock roughly a week's inventory.

The 'last mile distribution' concept is organized business. It is unique in its scope and proprietary in model to Redington. A product of thought leadership, the business is Redington's own and no other national distributor offers anything even close.

The Nook infrastructure is impressive. It has sales offices in 18 locations in South India, well spread out warehouses in 25 locations throughout the territory that can supply goods in a snap, market warehouses in 6 main cities – Chennai, Bangalore, Hyderabad, Cochin, Coimbatore and Vizag, and a sales team of 100+ people. In order to manage their unique business model, Nook has also implemented a new ERP based on Microsoft Navision software which is hosted on a cloud environment. A pioneering idea in distribution, Nook Micro is upbeat about its growth and confident of adding significant value to Redington.



Nook distributes IT, non-IT and consumer durable products through approximately 1500 retail and reseller partners

## five years at a glance

### standalone financials

(₹ in crore)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08	CAGR
Total Revenue	9,871.48	8,144.84	6,278.84	5,896.43	5,649.83	15%
EBIDTA	321.24	249.92	201.60	173.87	148.25	21%
PBT	233.29	193.40	153.16	124.25	103.57	23%
PAT	156.81	128.44	99.46	80.69	67.11	24%
Networth	908.97	764.06	675.98	614.39	569.56	
Capital Employed	1,529.69	1,279.09	1,051.50	904.29	821.82	
EBIDTA / Revenue	3.25%	3.07%	3.21%	2.95%	2.62%	
PAT / Revenue	1.59%	1.58%	1.58%	1.37%	1.19%	
Return on Average Capital Employed *	35.40%	33.57%	31.67%	31.20%	25.87%	
Return on Average Equity *	50.62%	49.59%	38.97%	29.76%	24.60%	
EPS ( FV ₹ 2) (₹) #	3.94	3.25	2.54	2.07	1.72	
Book Value per Share (FV of ₹ 2) (₹)	22.81	19.28	17.19	15.78	14.63	

# For EPS calculation-weighted average number of equity shares have been considered. During the year 2010-11, Face Value of shares got split from ₹ 10 to ₹ 2. EPS and Book Value for earlier years converted basis Face Value ₹ 2.

\* Investments made in wholly owned Subsidiaries are excluded

### consolidated financials

(₹ in crore)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08	CAGR
Revenue	21,222.02	16,722.65	13,277.65	12,375.99	10,542.53	19%
EBITDA	633.40	471.65	365.72	329.57	259.04	25%
PBT	450.33	351.00	275.92	219.02	177.06	26%
PAT	292.74	226.00	184.33	159.66	136.07	21%
Networth	1,322.48	1,255.32	1,075.72	1,002.20	721.49	
Capital Employed	3,477.61	3,186.28	2,464.57	2,226.51	1,505.44	
EBITDA / Revenue	2.98%	2.82%	2.75%	2.66%	2.46%	
PAT / Revenue	1.38%	1.35%	1.39%	1.29%	1.29%	
Return on Average Capital Employed *	18.44%	16.01%	14.59%	17.23%	18.86%	
Return on Average Equity *	23.93%	19.95%	17.74%	19.12%	21.68%	
EPS (₹) #	7.35	5.72	4.70	4.10	3.50	
Book Value per Share (₹)*	33.18	31.67	27.36	25.74	18.53	

# For EPS per share calculation-weighted average number of equity shares have been considered. During the year 2010-11, Face Value of shares got split from ₹ 10 to ₹ 2. EPS and Book Value for earlier years converted basis Face Value ₹ 2.

\* 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) and FY 11 (Arena)

# delivering value

Businessweek USA rates Redington 55th amongst top global tech companies. For total return to shareholders, Company ranked "Global Number 3"

Foray into Financial Services - Easyaccess set up

Investcorp invests US\$ 65 Mn in Redington MEA operations

Started distribution of BlackBerry Smartphones

Ventured into Remote Services Management and Facility Management Outsourcing Services

Redington's shares got listed

Set up High Level Repair Centre (HLRC)

Started distribution of Apple range of products

ADC becomes operational in Chennai

Foray into 3PL/4PL services

Expansion into Kenya and Ghana

Purchased 49.4% shareholding in Arena (Turkey)

Micro distribution of IT and Telecom products through Nook

TUV NORD awarded ISO 9001:2008 Certification for Chennai ADC

TUV SUO Management Service GmbH has awarded ISO 9001:2008 certification to Redington for providing Support Services

Standard Chartered Private Equity acquires 11.99% in Redington (India) Ltd.

Strategic relationship with EMC for distribution of products through Cadensworth

Redington consolidated its shareholding in MEA operations

**2007**

**2008**

**2009**

**2010**

**2011**

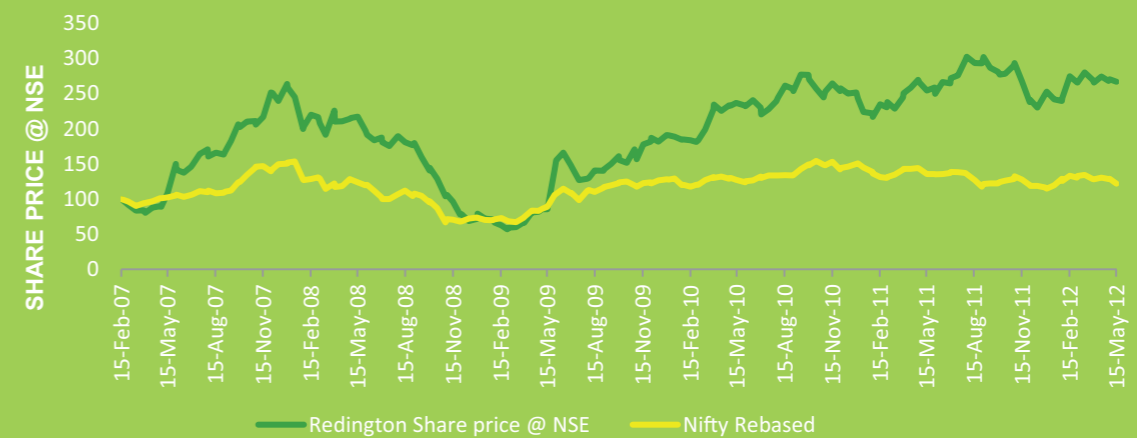
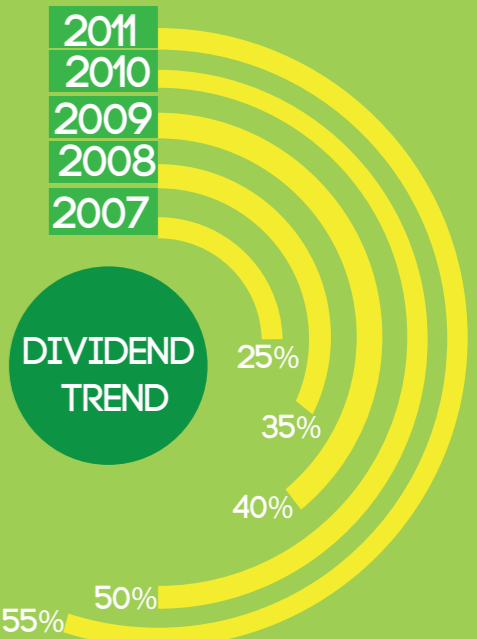
**2012**

**INDIA**

	Sales offices	Warehouses	Own Service Centres	Partner Centres
2008	48	59	46	160
2009	43	60	55	198
2010	53	62	72	200
2011	55	63	72	210
2012	56	69	70	220

**OVERSEAS**

	Sales offices	Warehouses	Own Service Centres	Partner Centres
2008	11	10	15	15
2009	13	14	18	15
2010	15	16	20	15
2011	18	24	25	15
2012	20	33	35	15



# directors' report

## To the Members,

Your Directors take pleasure in presenting the Nineteenth Annual Report of the Company for the year ended March 31, 2012.

## Financial Highlights

(₹ in Cr)

Particulars	Consolidated		Standalone	
	2011-12	2010-11	2011-12	2010-11
Net Sales /Income from operations	21192.99	16703.77	9840.40	8131.95
Add: Other Income	29.03	18.88	31.08	12.89
<b>Total Revenue</b>	<b>21222.02</b>	<b>16722.65</b>	<b>9871.48</b>	<b>8144.84</b>
Less: Total Expenditure				
a) Cost of goods sold	19934.75	15766.11	9280.90	7679.83
b) Staff Cost	280.37	206.57	97.53	83.10
c) Other Expenditure	373.50	278.32	171.81	131.99
Profit before Interest, Depreciation and Tax (EBIDTA)	633.40	471.65	321.24	249.92
Less: Finance Cost	152.04	96.09	77.40	43.05
Less: Depreciation and Amortisation	31.03	24.56	10.55	13.47
<b>Profit before Tax (PBT)</b>	<b>450.33</b>	<b>351.00</b>	<b>233.29</b>	<b>193.40</b>
Less: Tax Expense	111.29	86.23	76.48	64.96
<b>Profit after Tax (PAT)</b>	<b>339.04</b>	<b>264.77</b>	<b>156.81</b>	<b>128.44</b>
Less: Share of loss of Associate	0.02	0.00	NA	NA
Less: Minority Interest	46.28	38.77	NA	NA
<b>Net Profit for the year</b>	<b>292.74</b>	<b>226.00</b>	<b>156.81</b>	<b>128.44</b>

Previous year figures are re-grouped.

Your Directors have made the following appropriations:

(₹ in Crore)

Balance of Profit brought forward from last year	298.11
Less: Dividend for the year 2010-11 including Dividend Distribution tax for additional equity shares allotted under the ESOP scheme after the closure of the financial year	<u>0.08</u>
	298.03
Add: Profit for the year 2011-12	<u>156.81</u>
Profit available for appropriation	454.84
Less: Proposed Dividend @ ₹ 0.40 per Equity Share of ₹ 2/- each (i.e. 20%) for the year ended March 31, 2012	15.95
Dividend Distribution Tax thereon	1.97
Transfer to General Reserve	<u>11.76</u> <u>29.68</u>
Balance of Profit to be carried forward	<u>425.16</u>

## Dividend

Your Directors are pleased to recommend for approval of the Members a dividend of ₹ 0.40 per equity share of face value ₹ 2/- each of the Company for the financial year 2011-12. The lower dividend, this year, is to augment resources for the growth of the Company's immediate and future business opportunities.

## Performance

During the year under review, on a consolidated basis, your Company has continued to maintain the growth momentum. There has been a good growth in terms of turnover by 26.9%, EBIDTA by 34.3% and PAT by 29.5% over the previous year. The consolidated revenue of your Company was ₹ 21,222.0 Crore as against ₹ 16,722.7 Crore in the previous year with a CAGR of 19.1% for five years. The consolidated net profit for the year under review was ₹ 292.7 Crore as against ₹ 226.0 Crore in the previous year with a CAGR of 21.1% for five years.

The Standalone revenue of your Company was ₹ 9,871.5 Crore as against ₹ 8,144.8 Crore in the previous year (Year-on-Year growth 21.2%) and the profit after tax was ₹ 156.8 Crore as against ₹ 128.4 Crore in the previous year (Year-on-Year growth 22.1%). The Earnings per Share (EPS) on a consolidated basis (based on weighted average number of shares) increased to ₹ 7.4 in the year under review as compared to ₹ 5.7 in the previous year. EPS on a standalone basis (based on weighted average number of shares) increased to ₹ 3.9 in the year under review as compared to ₹ 3.2 in the previous year.

## Distribution business

### Information Technology Products

As anticipated towards the end of FY 2010-11 and projected by various Economic forums, the Information Technology (IT) industry in India grew quite well during the first half of the year under review. On the back of strong investments by Government and large corporates in the infrastructure and Enterprise space, the IT distribution business of the Company posted significant growth during the first two quarters.

The sudden and rapid downtrend in the country's and Global business environment during the second half of FY 11-12 threw up challenges, with contraction in demand from Government and Large Enterprises. Continued high interest rates, a dramatic weakening of the rupee and a general overhang of negative sentiments borne out of lack of policy initiatives and decision making by the Government slowed down the demand for IT products. The deepening of the economic crisis in Europe also cast its shadow on India's economic metrics during the second half of the year.

The branded PC market remained under pressure from loss of traction in Government and Large Enterprise space. The assembled / unbranded PC segment, which services a large part of Tier-3 and Tier-4 cities demand, came under severe supply constraints starting October '11. Due to the unprecedented floods in Thailand, which wiped away almost 50% of the world's Hard Disk Drive (HDD) manufacturing capacity, the availability of HDDs reduced to about 35% of the total estimated demand for the period. The supply of assembled PCs, which constitute about 25% of the total Desktop & Notebook demand in the country, suffered a huge setback. This had a knock-on effect on the demand for CPUs, Mother Boards and Memories, further impacting the overall revenue of your Company. As a result, the overall PC market growth during FY 11-12 is estimated to have been 9-10% as against the projected growth of 13-15%.

Your Company continued to augment its products and solutions by offering to its business partners by adding niche vendors such as Molex, Smart Technologies and ADC India Communications. This would strengthen your Company's positioning as a one-stop-solution for its partners for all their requirements.

As briefly mentioned in our last report to the shareholders, Virtualization and Cloud Computing is expected to bring in a paradigm shift in the way IT assets are procured and deployed by both large organizations as well as Small & Medium Enterprises. While in India the change appears to be gradual your Company proactively engaged with vendors to take initial steps in this field with the objective of being ready with appropriate offerings when the change materializes.

Your Company's new partnerships with VMWare, Nivio Technologies and Microsoft in the Virtualization and Cloud Computing space would form the foundation for building a strong portfolio in this space. Its engagement with traditional vendors like IBM, Cisco, HP, Hitachi and Oracle enables your Company to build on a portfolio that will facilitate distribution of specific solutions to partners in areas of SaaS (Software as a Service), PaaS (Platform as a Service) and IaaS (Infrastructure as a Service), to address the Cloud computing requirements of Large, Medium and Small enterprises.

### Consumer and Lifestyle Products

The distribution of Digital Life Style products by your Company continued to have another strong performance in the last fiscal year. This vertical has shown a 50% revenue growth over the previous fiscal year.

Your Company is playing a significant role in India's Smartphone revolution. The Smartphone segment is expected to grow at a Compounded Annual Growth Rate (CAGR) of over 50% over the next five years. Your Company maintains a strong position in this space with its strong relationship with Research in Motion for their BlackBerry Smartphones. Although Research in Motion had a setback at the global level, the Company continues to be a key player in the Indian market. Your Company has also increased its presence in the Smartphone space, with its tie-up with Huawei.

Your Company is focused on capitalizing the growth of smart communication devices in India. In the coming fiscal year your Company will look to partner with one or more device manufacturers and also with manufacturers of complementary products.

Your Company has positioned itself to be one of Apple's most preferred partners in India. Apple's iPad continues to show momentum and is the leader in the tablet segment inspite of a slew of competitors introducing lower cost alternatives.

Your Company has taken significant strides in the fast growing Digital Printing space in the past fiscal year. The sizeable increase in the installed base of HP "Indigo" machines in India has not only contributed to revenue growth, but has also ensured significant growth in the annuity income on usage of consumables.

## Hardware Support Services

The IT & Telecom industry continues to witness increased intelligence and complexity in new generation products. And in India, the industry is now penetrating the small towns and villages very rapidly. Taken together, these factors have made pan-India after sales service vital, not just for the success of new product launches, but also for the sustenance of growth of brands in the Indian market.

In anticipation, your Company has set up hardware support service centres, spanning the length and breadth of India. Today, through 70 owned service centres, supported by a certified franchisee network of 220 service partners, your Company provides the full spectrum of warranty and post-warranty services to the customers of our product vendors – covering Solution design and Consulting, Call Center support, Field Engineering support, Parts warehousing, Forward and Reverse logistics, Imports and Re-exports, and Asset recovery . All these centres run on a robust CRM that enable your Company to tightly manage the end-to-end service life cycle and create a great customer experience. This is one of the key differentiators of your Company in the Supply Chain industry, and a growth enabler for our vendors.

Your Company's support service is ISO 9001:2008 certified and is in the process of being certified for ISO 20000 compliance. In IT support, more than 100,000 customers avail services from your Company starting from Desktop PCs to Enterprise systems. Your Company has successfully launched and started providing Remote Infrastructure Management services to some large corporate customers. In the Telecom space, your Company strengthened its Smartphone support portfolio by garnering national support authorization from HTC for their Smartphones.

During the period under review, your Company has expanded the Enterprise support portfolio through new vendor engagements. Brocade has appointed your Company as SDP (Service Delivery Partner) and PSP (Professional Services Partner), authorizing us to provide installation and support services for their IP Networking products. Cisco has appointed your Company as Video Value Added Distributor after successfully meeting all Cisco service authorization requirements. Your Company has also been appointed as ISP (Independent Service Provider) by Hitachi Data Systems for rendering professional and support services for their entire range of Storage products.

## Supply Chain Management Services

Supply Chain Management forms a basic and integral part of the Company's business offerings to vendors and Channel Partners. Your Company has end-to-end logistics capabilities starting from import, warehousing, stock movement across the geography, packing / repacking, order processing and delivery to any part within the geographies it operates. The Company can reach its products to customers in more than 1500 cities in less than 48 hours.

To solidify the brand value of your Company's supply chain services, your Company offers Third Party Logistics (3PL) services ranging from imports management, warehousing till last mile transportation and Reverse logistics services. Your Company's 3PL services has got a diversified client base of various industries including IT, Telecom, Mobiles, Home appliances, FMCG, White Goods etc. Your Company understands the varied requirements of different clients and has successfully offered its services to several new customers like BSH Home Appliance Ltd, Carl Zeiss, Nachus

Electronics, Cafe Coffee Day, Growmore, DSV Air & Sea Pvt.Ltd for Le Creuset and Celestial Tech Vates Ltd etc during the year under review.

As globally the online sales model is catching-up, each of these vendors are keen to tie-up with a logistics partner for backend support, that are similar to what your Company is already into. This emerging and fast growing concept is going to open a window of opportunities for 3PL service providers like us and pave the way for increase and sustainable profitability in the years to come.

Understanding the value of an organized supply chain sector, your Company is improving its warehousing and logistics capability in terms of infrastructure, software availability and multi locational offerings. In order to cater to the expanding market and to reach the products on time to the clients, during the year, your Company added warehouses in strategic locations thereby increasing the total warehouses to 70 with close to 1 Million Sq .ft.

The Reverse Logistics Center of your Company has a proven record of more than 10,000 satisfied customers in its fold and its services are well received and appreciated by major brands including HP, Wipro, Acer, Intel, etc

## Subsidiary Companies

During the year under review your Company had made additional investments and strategic changes in the business operations of the subsidiary companies facilitating more significant contribution from them in the years to come to the consolidated revenue stream of the Company.

We broadly describe the subsidiary operations as follows:

### Indian Subsidiaries

**Easyaccess Financial Services Limited (Easyaccess)** the wholly owned subsidiary and the Non-Banking Finance Company (NBFC) arm of your Company, is India's first NBFC to cater to the IT distribution industry's channel finance needs. Easyaccess offers working capital facility with an operating cycle of 90 to 120 days. It provides extended finance to the channel partners for them to not only carry on their trade, but also to grow their business while ensuring better margins for your Company at the same time. Over the years, Easyaccess channel financing to the IT eco-system has gained significant traction bringing considerable financial discipline amongst the channel partners.

With an Independent professional team, Easyaccess pursues financing the third-party corporates. While venturing into this business has reduced Easyaccess's dependence on Redington / Redington's customers, it also offers an attractive interest spread. Easyaccess has run quite successfully its first four years of operation without any non-performing assets, which is a commendable achievement.

**Cadensworth (India) Limited (Cadensworth)**, engaged in the business of Support Services has shown significant improvement in its performance during the financial year under review. The support services business for critical parts being provided on behalf of M/s. Flash Global Logistics for their clients in India has done fairly well with addition of new customers. The repair service business for Pegatron too has added to the revenue growth. Cadensworth has passed the Quality Management System Standard during the ISO Audit in January 2012 and the validity of ISO 9001: 2008 Certification has been extended till 18th January 2015. The LCD Panel repair opportunity seems very promising for the coming years.

During this year, Cadensworth also made a beginning in Value Added Distribution Services. Cadensworth began its journey in the distribution business with a strategic relationship with EMC and will focus on taking to market newer and higher-value technologies such as data centers, virtualization , secure networking and support services. Value added distribution services will involve developing and supporting specialist partners who reach and service complex IT projects.

**Nook Micro Distribution Limited (Nook Micro)** - During FY 12, Nook Micro had its full year of operation post embarking on its journey with low cost micro distribution last year. It added over 1500 Channel Partners in 175 towns across 96 districts all over South India. Nook Micro is positioned to be the preferred intermediary to address the last mile connect amongst national distributors, vendors, retailers and assemblers. To strengthen the financial position of Nook Micro, your Company has made an additional investment of ₹ 6 Crore in its equity.

More vendors and distributors are looking forward to tie up with Nook Micro to get in depth coverage of the market for their products. Nook Micro has also started managing the distribution of Consumer Electronics products in South India from April 2012. This will enable the Company to maximize the revenue by utilizing the existing infrastructure

and micro distribution strategy. By adding consumer electronics products, the Company is expected to add up another 1500 channel partners in South India.

## Overseas Subsidiaries

Your Company's overseas subsidiaries grew both revenues and profitability impressively by 30% across each of the markets it participated including Singapore & South Asia, Middle East, Turkey and Africa. Fortunately, the general economic slowdown and geo political tensions in the Middle East and North Africa (MENA) region did not slow down the pace of growth.

Redington Gulf has retained its leadership position by being rated as the number one distributor in ME for 6 years in succession. Redington Gulf continues to enrich its brand portfolio and foster growth by adding new brands in the Volume and Value added distribution portfolio. The new brands added during the year to its portfolio include Seagate, Microsoft, LG, Triplite, Lifesize, EMC, Siemens, Barracuda Networks, Belkin and Targus.

The hardware support service of your Company's overseas subsidiary is well positioned as a neutral service provider. The total number of service centers in MEA has increased to 49 making Redington Gulf the biggest service provider in MEA with the widest network. The scope of support services have been extended to mobile devices and consumer electronics in addition to IT hardware products.

Your Company's overseas subsidiaries' 29 warehouses were linked to a central warehouse admeasuring about 95,000 square feet in Jebel Ali, Dubai. The Automatic Distribution Centre in Jebel Ali has incorporated a superior technology allowing it to enhance the efficiencies and productivity.

Redington Gulf has once again retained the EMEA Channel Academy 2012 awards – the "MENA Preferred Distributor Award" for delivering excellent services to its partners. Redington was also awarded as the "Retail Volume Distributor of the Year" for the 6th consecutive year.

Though the countries affected in the Arab spring are slowly recovering, the ongoing political tensions in the region and in the surrounding countries has a hangover effect on the general business environment. During the year under review, the 19% depreciation of Turkish Lira against USD has resulted in lower consumption and a detrimental impact on sales and profits of Arena, the listed Company in Turkey in which your Company had invested 49.4% in November 2010.

## Employee Stock Option Plan 2008

During the year, out of the lapsed options issued under the Employee Stock Option Plan 2008 your Company has granted 173,212 options to the employees of the Company and its subsidiaries. The details of the options granted and options in force as required to be disclosed under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure "A" of this Report.

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

The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy.

The Company continues to use the latest technologies for improving the quality of the services it offers.

Since the Company doesn't involve in manufacturing activities it didn't incur any expenditure on Research and Development

## Directors

During the year, post acquisition of 11.99% stake in the Company, Standard Chartered Private Equity the largest Private Equity Shareholder of the Company has nominated Mr. Nainesh Jaisingh, as their representative on the Board. Mr. Nainesh Jaisingh was appointed as an Additional Director of the Company with effect from 5th August 2011. Mr. Lin, Tai-Yang was co-opted on the Board as an additional director in place of Mr. Huang Chi Cheng, the

earlier nominee of M/s. Synnex Global Limited, Taiwan with effect from 28th October 2011. M/s Nainesh Jaisingh and Lin Tai-Yang will hold office till the date of this Annual General Meeting. The Company has received notice from members of the Company, under Section 257 of the Companies Act, 1956, proposing their appointment as Directors of the Company, along with the requisite deposit. Resolutions for their appointment as Directors of the Company are included in the notice of the ensuing Annual General Meeting. At the Meeting of the Board of Directors held on 25th May 2012, the Board approved appointment of Mr. Mukul Nag as an Alternate Director to Mr. Nainesh Jaisingh.

During the year, Mr. Steven A Pinto, Independent Director resigned from the Board with effect from 28th October 2011. The Company continues to avail the services of Mr. Steven A Pinto as a Director on the Board of M/s Easyaccess Financial Services Limited, (Easyaccess) a wholly owned subsidiary Company in an Independent capacity. Ms. Chew Lee Fang, who had been an independent Director on the Board of Easyaccess for over four years, was appointed as an additional director with effect from 5th August 2011 and subsequently she stepped down from the Board with effect from 27th January 2012.

The Board places on record its appreciation for the services rendered by Mr. Huang Chi Cheng, Mr. Steven A Pinto and Ms. Chew Lee Fang during their tenure as Directors.

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

The tenure of appointment of Mr. Raj Shankar as Deputy Managing Director will come to an end on 25th July 2012. The Board of Directors at their meeting held on 25th May 2012 have approved re-appointment of Mr. Raj Shankar as Deputy Managing Director for a period of five years with effect from 26th July 2012 subject to the approval of shareholders in the ensuing Annual General Meeting and the approval of the Central Government, since he being a non-resident.

## Directors' Responsibility Statement

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

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- ii. 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 2012 and of the profit for the said year;
- iii. 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;
- iv. that the annual accounts have been prepared on a going concern basis.

## Credit Rating

Amidst the turbulent macroeconomic conditions, your Company's credit ratings remained stable this year. CRISIL has retained its rating on the Letter of Credit, short term loan and short term debt programme at 'CRISIL A1+' (read as A one plus). Also CRISIL while reaffirming its rating on cash credit and working capital demand loan as 'CRISIL AA-' (read as Double A minus), revised the outlook as 'Negative'. CRISIL has stated that the outlook may be revised to 'Stable' if the Company's capital structure improves significantly as per expectations.

ICRA, also reaffirmed its rating on the short term debt program/Commercial Paper, Non-fund based facilities and short term fund based facilities at 'ICRA A1+' (read as A one plus). It has also reaffirmed its ratings for the Long term Fund based facilities as 'ICRA AA-' ( read as Double A minus) and revised the outlook from stable to negative.

## Particulars of Employees

For the financial year under review none of the employees fall under the revised ceiling limits prescribed under section 217 (2A) of the Companies Act, 1956.

## Auditors

The Statutory Auditors of your Company, M/s Deloitte Haskins & Sells, Chartered Accountants retire at the ensuing Annual General Meeting and have confirmed their eligibility under Section 224(1B) of the Companies Act 1956 and willingness to accept office, if re-appointed. The resolution for their re-appointment is included in the notice for Annual General Meeting sent herewith.

## Foreign Exchange

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

## Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, reports on Corporate Governance and Management Discussion & Analysis are attached to this Annual Report.

## Acknowledgment

Your directors would also like to place on record their grateful appreciation for the cooperation your Company has received from the Customers, Vendors, Banks, Financial Institutions, promoters and the Investing Public.

Your Directors take this opportunity to appreciate the wholehearted dedication and commitment of the employees of the Company and its subsidiaries that have contributed to the success of your Company.

On behalf of the Board of Directors

Place : Chennai

Date : May 25, 2012

J. Ramachandran

Chairman

## Annexure A

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

	Particulars	ESOP Scheme
1	Number of options granted	2,821,328(includes 485,355 lapsed options granted subsequently)
2	The Pricing Formula	Market price or such price as decided by the Board.
3	Number of options vested	303,084 *
4	Number of options exercised	1,849,893
5	Total number of shares arising as a result of exercise of options	9,249,465
6	Number of options lapsed	499,439
7	Variation in the terms of options	No variations made in the current year
8	Money realised by exercise of options	59,107,890
9	Total Number of Options in force	471,996

\* number indicates options vested but not exercised

B. Employee-wise details of options granted to

	Particulars	No. of options granted
1.	Senior Management Personnel	No such options were granted
2.	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	NIL
3.	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 – ₹ 3.93

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

	₹ In Lakhs
Profit as reported	15,681.21
Add - Intrinsic Value Cost	0.00
Less - Fair Value Cost	37.69
Profit as adjusted	15,643.52
Earning per share (Basic) as reported	₹ 3.94
Earning per share (Basic) adjusted	₹ 3.93
Earning per share (Diluted) as reported	₹ 3.93
Earning per share (Diluted) adjusted	₹ 3.92

#### E. Weighted average exercise price of Options whose

(a) Exercise price equals market price	₹ 396.50
(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	₹ 171.72
(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:

<b>Date of grant</b>	<b>5-Dec-11</b>
1. Risk Free Interest Rate	8.45%
2. Expected Life	4.25
3. Expected Volatility	46.00%
4. Dividend Yield	1.45%
5. Price of the underlying share in market at the time of the option grant **	₹ 396.50

\*\* 1 option = 5 shares so the stock price has been adjusted accordingly

### Compliance Certificate in respect of ESOP Scheme

We have examined the books of account and other records maintained by Redington (India) Limited ("the Company") for the year ended 31st March 2012 and on the basis of such examination, information/explanations and representations given to us, we confirm that the Company's Employee Stock Option Scheme 2008 ("the Scheme") has been implemented in accordance with the "Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999" and Resolution passed in the Extra-ordinary General Meeting of the Company held on 27th February 2008.

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

**B Ramaratnam**  
Partner  
(Membership No. 21209)

Place: Chennai  
Date: May 25, 2012

## report on corporate governance

### 1. REDINGTON'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is about the ethos of the organization and about fulfilling the laid out collective goals in a process compliant way. The Company believes that good corporate governance has to be woven into the DNA of the organization helping to build a distinctive culture from top to bottom. Therefore the practices of your Company extend beyond legal provisions and voluntarily adherence to a set of strong governance principles. In the present competitive Corporate scenario, your Company ensures high ethical standards and a disciplined approach in pursuing excellence in all its sphere of business. The Management believes that they are the trustees of the investors' capital and other stakeholders' interests. They believe their business practices should be founded on transparency, disclosure, accountability and financial controls, the four pillars of a good corporate governance system. They 'Communicate externally, in a faithful manner, about how they run internally'.

### 2. BOARD OF DIRECTORS:

To address emerging risks and guide the governance ecosystem of your Company to the next level of maturity in a global economic and business environment, your Company has structured its Board with people of varied strengths and experience. It values the participation of all members during the Board meetings and strongly believes that for effective board governance the management of the Company should be transparent.

To facilitate participation of the directors, your Company after consulting with the Board, circulates in advance the tentative calendar of Meetings of the Board and its Committees, to all the directors. In this reporting year, your Company has organized meeting of the Board of Directors via Video Conferencing three times accruing savings to the Company.

The Composition of the Board Members is optimally structured with the participation of representatives of the Management, Shareholders and Independent directors.

#### a) Composition:

Currently, the Board comprises of ten members including three Non executive Independent Directors, Four Non executive Directors and three Executive Directors. The Chairman of the board is a Non-Executive Independent Director.

The Composition of the Board of Directors is depicted in **Table 1** below.

#### b) Board Meetings:

**During the Financial Year, the Board of Directors of the Company met six times on 19th May 2011, 5th August 2011, 28th October 2011, 14th January 2012, 27th January 2012 and 26th March 2012.** The maximum interval between any two Board meetings was well within the maximum gap allowed of four months.

#### c) Attendance and other Directorships:

**Table 1: Composition of the Board and Attendance of the Directors at the Board meetings held during 2011-12 and last Annual General Meeting:**

Name	Category	No. of board meetings during 2011-12		Whether Attended last AGM
		Held	Attended	
Prof. J. Ramachandran	Non- Executive Chairman, Independent Director	6	4	Yes
Mr. R. Jayachandran@	Non- Executive Director	6	3	No
Mr. Tu, Shu – Chyuan@	Non- Executive Director	6	5	No
Mr. Lin Tai-Yang@***	Non- Executive Director	6	2	NA
Mr. Huang Chi Cheng@ #	Non- Executive Director	6	1	No



Mr. Nainesh Jaisingh@*	Non- Executive Director	6	4	NA
Mr. Steven A Pinto#	Independent Director	6	2	Yes
Mr. William P. Adamopoulos	Independent Director	6	3	No
Mr. N. Srinivasan	Independent Director	6	5	Yes
Ms. Chew Lee Fang**	Independent Director	6	2	NA
Mr. R. Srinivasan	Managing Director	6	5	Yes
Mr. Raj Shankar	Deputy Managing Director	6	5	Yes
Mr. M. Raghunandan	Whole- Time Director	6	5	Yes

\* Appointed as Additional Director with effect from 5th August 2011.

\*\* Appointed as Additional Director with effect from 5th August 2011 and resigned from the Board w.e.f 27th January 2012

\*\*\* Appointed as Additional Director w.e.f 28th October 2011

# Resigned w.e.f 28th October 2011

@ Representing Equity Investors

Mr. William P. Adamopoulos attended the meetings held on 5th August 2011 and 27th January 2012 through tele conferencing.

Mr. Steven A. Pinto attended the meeting held on 5th August 2011 through tele conferencing.

**Table 2: Details of the Directorships of the Members of Board in the Board of Directors of other Indian Public Companies and Membership/Chairmanship in the Committees of other Indian Public Companies.**

Name	Category	Director-ship in other Indian public companies @	Committees of other Indian Public companies @@	
			Member-ship	Chairman-ship
Prof. J. Ramachandran	Non- Executive Chairman, Independent Director	7	5	1
Mr. R. Jayachandran	Non- Executive Director	1	Nil	Nil
Mr. Nainesh Jaisingh	Non- Executive Director	2	1	Nil
Mr. N. Srinivasan	Independent Director	12	4	4
Mr. R. Srinivasan	Managing Director	2	1	Nil
Mr. Raj Shankar	Deputy Managing Director	1	1	Nil
Mr. M. Raghunandan	Whole- Time Director	3	Nil	Nil

@ 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.

None of the directors other than the above mentioned directors hold directorships in the Board of Directors of other Indian Public Companies and Membership/Chairmanship in the Committees of other Indian Public Companies.

### 3. AUDIT COMMITTEE:

The Company has a qualified and independent Audit Committee, with Mr. N. Srinivasan, a senior Independent Director as its Chairman. All the members of the committee have broad accounting and financial management expertise.

The Chairman of the Audit Committee regularly interacts with the Internal Auditors and Statutory Auditors of the Company to have independent discussions with them. The Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors are regularly invited to attend the Audit Committee meetings.

The Company Secretary has been the secretary of the meetings of Audit Committee.

With reference to the terms specified in the charter the committee during the year under review considered the following at its meetings:

- Reviewing and analyzing the financial condition and operations of the Company
- Monitoring the integrity of the financial statements of the Company
- Reviewing the Company's internal financial controls, internal audit function and risk management systems
- Recommending appointment and terms of remuneration of the internal auditor
- Reviewing the scope of the internal audit plan, procedures of the internal audit function.
- Reviewing related party transactions
- Reviewing the compliance with listing and other legal requirements relating to financial statements
- Reviewing the adequacy of the insurance coverage
- Examining the contingent liabilities and reviewing the adequacy of provisions thereof.

The Audit Committee was regularly updated on the findings by the Internal Auditors and the action taken thereof. Internal and Statutory Auditors brought to the knowledge of the Board areas of improvement and the committee elaborated on the processes and systems.

The Committee met four times during the financial year under review on **19th May 2011, 4th August 2011, 28th October 2011 and 27th January 2012.**

**Table 3: 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	3
3	Mr. Steven A. Pinto*	Independent Director	Member	4	3
4	Ms. Chew Lee Fang**	Independent Director	Member	4	1
5	Mr. Raj Shankar	Deputy Managing Director	Member	4	4

\* Resigned w.e.f 28th October 2011

\*\*Co-opted on the board w.e.f. 5th August 2011 and resigned due to personal reasons w.e.f 27th January 2012

### 4. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

The Company believes in the philosophy that the Management is the trustee of the shareholders' capital and its primary role is to protect their interest. The Company has constituted the Shareholders'/ Investors' Grievance Committee comprising Prof. J. Ramachandran, Independent Director, Mr. R. Srinivasan, Managing Director and Mr. M. Raghunandan, Whole time Director.

Majority of the shares of the Company are held in electronic form and hence the Company rarely receives request for transfer of shares or for dematerialization of shares held in physical form. Further, the Company remits dividend majorly through electronic transfer and payment by way of cheque/demand draft constitutes a miniscule part of the total dividend payment. This enables the Company to ensure that the dividend amounts are paid to the rightful owners and the unclaimed dividend amount is minimal. As suggested by the committee, the Company sends reminders to the shareholders to reclaim their dividends periodically.

From the tone of the correspondence received from the investors, your Company determines whether it is a complaint or a mere communication. This shows how much the Company respects the shareholder's sentiments. This is also evident from the fact that during the financial year under review, there were only two correspondences which were reported as complaints.

The Company Secretary is designated as the Compliance officer of the Company.

The scope of reference to the committee is broadly as follows

- Oversee the redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates etc
- Review of the amount lying in the unclaimed dividend account
- Review of the movement in the major shareholders of the Company
- Review the process of monitoring the Registrar and Share Transfer Agents.

During the year under review, the Committee met four times on the following dates: **28th April 2011, 22nd July 2011, 28th October 2011 and 27th January 2012.**

**Table 4: 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

During the year, 2 complaints were received from the investors and were resolved. No complaints from the investors were pending as at 31st March 2012.

## 5. REMUNERATION COMMITTEE:

To ensure that remuneration to the Board and senior management is in line with the strategic aims of the business, the Company has a remuneration committee. During the year, the committee met on **19th May 2011 and 22nd July 2011**. At its meetings the committee considered the following:

- Payment of performance linked Bonus to Whole-time Director
- Payment of commission to the Independent Directors
- Review of the remuneration of the Senior Management team
- Recommendation for the appointment of Executive directors

Ms. Chew Lee Fang was the Chairperson of the Committee for the period from 28th October 2011 till 27th January 2012. During her tenure no meeting of the Committee took place.

**Table 5 Attendance record of Remuneration Committee:**

S.No	Name of the Director	Category	Position	No. of meetings	
				Held	Attended
1	Mr. N. Srinivasan	Independent Director	Member	2	2
2	Mr. R. Srinivasan	Managing Director	Member	2	2
3	Mr. M. Raghunandan	Whole-time Director	Member	2	2
4	Mr. Steven A. Pinto*	Independent Director	Chairman	2	2
5	Ms. Chew Lee Fang**	Independent Director	Chairperson	2	0

\* Resigned w.e.f 28th October 2011

\*\* Co-opted on the board w.e.f. 5th August 2011 and resigned due to personal reasons w.e.f 27th January 2012

**Table 6: Details of remuneration paid / payable to Directors for the financial year ended 31st March 2012**

Name of Director	Salary & Perquisites (₹ / Lacs)	Commission (₹ / Lacs)	Performance Linked Bonus (₹ / Lacs)*	Sitting Fees (₹ / Lacs)
Prof J Ramachandran	-	11.90	-	2.05
Mr. Steven A Pinto	-	11.35	-	1.00
Mr. William P. Adamopoulos	-	11.60	-	0.45
Mr. N. Srinivasan	-	11.75	-	1.85
Ms. Chew Lee Fang	-	-	-	0.45
Mr. M Raghunandan	24.00	-	16.00	-
Total	24.00	46.60	16.00	5.80

\* Provisions Made

Provision of ₹ 50 Lakh is made towards payment of commission for the Financial Year 2011-12 and requires approval of shareholders at the ensuing Annual General Meeting.

**Table 7: Shareholding of Directors in the Company as on 31st March 2012.**

S. No	Name of the Director	Category	No. of Shares	% to Equity capital	Options granted (Nos)
1.	Prof. J. Ramachandran	Independent Director	1,25,000	0.031	25,000
2.	Mr. N. Srinivasan	Independent Director	93,750	0.024	25,000
3.	Mr. William P. Adamopoulos	Independent Director	-	-	25,000
4.	Mr. R. Srinivasan	Managing Director	2,00,000	0.050	1,00,000
5.	Mr. Raj Shankar	Deputy Managing Director	4,69,946	0.118	1,00,000
6.	Mr. M. Raghunandan	Whole time Director	95,250	0.024	76,143

## 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](http://www.redingtonindia.com).

The Board members and the Senior Management personnel affirm 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 2011-12.

**R. Srinivasan**  
Managing Director

## 7. GENERAL BODY MEETINGS:

**Table 8: Location and time of last 3 Annual General Meetings:**

Year	Location	Date	Day	Time
2010-2011	Narada Gana Sabha, Mini Hall, No. 314, T.T.K Road, Chennai - 600 018.	22nd July 2011	Friday	10.00 A.M.
2009-2010	Narada Gana Sabha, Mini Hall, No. 314, T.T.K Road, Chennai - 600 018.	20th July 2010	Tuesday	10.00 A.M.
2008-2009	Narada Gana Sabha, Mini Hall, No. 314, T.T.K Road, Chennai - 600 018.	24th July 2009	Friday	02.00 P.M.

No extra-ordinary General Meeting was convened during the last financial year.

**Table No.9: Details of Special Resolutions passed in the last three Annual General Meetings**

Year	Special resolutions passed
2010-11	NIL
2009-10	<p>Approval for extending the estimated time by further two years for utilization of net proceeds as contained in 'the object of the issue' clause of prospectus dated 31st January 2007, for setting up of Automated Distribution Centers (ADCs) at Chennai, Mumbai, New Delhi and Kolkata including the revised size and capacity.</p> <p>Approval to make any loan to any other body corporate, give any guarantee or provide any security in connection with a loan from time to time and / or to invest in securities of any other body corporate, any sum or sums of money(ies) which together with any loan made / given any guarantee or provided any security by the Company may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount of such loan made / given, any guarantee or security provided, or investment made by the Company shall not at any time exceed Rs.1000 Crores (Rupees One Thousand Crores only).</p>
2008-09	<p>Approval to amend the clauses 6.1, 15 and 21.1 of the Employee Share Purchase Scheme as given below</p> <p>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.</p> <p>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)</p> <p>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.</p>

During the year, the Company has not passed any resolution through postal ballot.

## 8. SUBSIDIARY COMPANIES:

The Company has one Wholly Owned material non listed Indian subsidiary Company viz., Easyaccess Financial Services Limited. As per clause 49 of the Listing Agreement, the Company has nominated Prof. J. Ramachandran, Chairman of the Board as director on the Board of the Subsidiary Company.

The Company also has two wholly-owned unlisted non-material Indian subsidiary companies viz Nook Micro Distribution Limited and Cadensworth (India) Limited. In pursuit of achieving better governance, the Company has also appointed the Whole time director of the Company as its nominee on the Board of these companies.

The Board of Directors of the Company has been apprised of the performance of the subsidiary companies. Minutes of the unlisted subsidiaries are also placed before the Board.

## 9. DISCLOSURES:

### RELATED PARTY TRANSACTIONS:

There were no material related party transactions during the year 2011-12 that are prejudicial to the interest of the Company.

### NON COMPLIANCE BY THE COMPANY, PENALTIES, STRICTURES:

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

## APPOINTMENT / RE- APPOINTMENT OF DIRECTORS

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

The Board of Directors of the Company appointed Mr. Nainesh Jaisingh and Mr. Lin Tai-Yang as the Additional Directors of the Company at their meetings held on 5th August 2011 and 28th October 2011 respectively. Notices have been received from the members of the Company proposing their appointment as the Directors liable to retire by rotation.

Mr. Raj Shankar is being re-appointed as Deputy Managing Director for a further period of five years effective from 26th July 2012 subject to the approval of the Shareholders at the ensuing Annual General Meeting.

The details of above Directors seeking re-appointment and appointment at the forth coming Annual General Meeting are provided in table 10:

**Table 10: Brief Resume of Directors seeking Re-appointment/ appointment**

Name of the Director	Mr. R. Jayachandran
<b>Brief resume of the Director</b>	Mr. R. Jayachandran is a Chartered Accountant and is a member of the Institute of Certified Public Accountant of Singapore. He has undergone an advanced management program at the Harvard Business School. He is a Non-Executive Chairman of OLAM International Limited, a listed Singapore entity. Mr. Jayachandran is the Singapore's High Commissioner to the Republic of Mauritius and he is also a board member of the National Heritage Board, Singapore.
<b>Expertise in Specific Functional Area</b>	Finance and Business Strategy
<b>Directorship in Indian Public Limited Companies other than Redington (India) Limited</b>	Napier Healthcare Solutions (India) Limited
<b>Membership of Committees in Indian Public Limited Companies other than Redington (India) Limited</b>	Nil

Name of the Director	Prof. J. Ramachandran
<b>Brief resume of the Director</b>	<p>J. Ramachandran is professor of strategy and international business at the Indian Institute of Management Bangalore. He primarily studies the growth and governance challenges of business groups, multinational corporations and creative firms. Over the last decade, he has been engaged in developing a research and teaching program centered on the strategic behavior of firms in India.</p> <p>Professor Ramachandran was recently honored as the first Bain Fellow in India, and academic recognition for his work includes: the IMD FDC Award for Best Paper in Strategy / IB Theory from the Academy of Management USA; best paper citations from the Strategic Management Society, USA and the Academy of Management, USA; the Tata Steel-IIMB award for best case on corporate social responsibility; best case awards from the European Foundation for Management Development [EFMD], Association of Management Development Institutions in South Asia Schools [AMDISA], The Central and East European Management Development Association [CEEMAN], and Association of Indian Management Schools [AIMS] as well as best teacher awards at IIM Bangalore.</p> <p>A qualified Chartered and Cost Accountant, and a Fellow of the Indian Institute of Management Ahmadabad, Prof. Ramachandran has been a Visiting Professor at INSEAD, Fontainebleau, France, the Wharton School of the University of Pennsylvania, USA; and the Carlson School of Management, University of Minnesota, USA. He has also served Indian Institute of Management Bangalore as a member of the Board of Governors.</p>

<b>Expertise in Specific Functional Area</b>	Strategic management; International Business
<b>Directorship in Indian Public Limited Companies other than Redington (India) Limited</b>	<ul style="list-style-type: none"> <li>• Reliance Communications Limited</li> <li>• Sasken Communication Technologies Limited</li> <li>• Bhoruka Power Corporation Limited</li> <li>• Indofil Industries Limited</li> <li>• Infotech Enterprises Limited</li> <li>• Tejas Networks Limited</li> <li>• Easyaccess Financial Services Limited</li> </ul>
<b>Membership of Committees in Indian Public Limited Companies other than Redington (India) Limited</b>	
<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>• Reliance Communications Limited</li> <li>• Sasken Communication Technologies Limited</li> <li>• Tejas Networks Limited</li> <li>• Infotech Enterprises Ltd.</li> </ul>
<b>Shareholders/ Investors Grievance Committee</b>	<ul style="list-style-type: none"> <li>• Reliance Communications Limited</li> <li>• Sasken Communication Technologies Limited</li> </ul>

<b>Name of the Director</b>	<b>Mr. Raj Shankar</b>
<b>Brief resume of the Director</b>	Mr. Raj Shankar is a postgraduate from Birla Institute of Technology and Sciences (BITS), Pilani. He has 30+ years of professional experience working within and outside India in diverse sectors, including pharmaceuticals (Novartis India Limited) and textiles (Grasim Industries Limited). He joined Redington Gulf FZE in April 2001 as its Whole-time Director. He is currently responsible for Redington's International operations in Middle East, Turkey, Africa, Singapore and South Asia.
<b>Expertise in Specific Functional Area</b>	Business Strategy and General Management
<b>Directorship in Indian Public Limited Companies other than Redington (India) Limited</b>	Easyaccess Financial Services Limited
<b>Membership of Committees in Indian Public Limited Companies other than Redington (India) Limited</b>	Easyaccess Financial Services Limited – Audit Committee

<b>Name of the Director</b>	<b>Mr. Nainesh Jaisingh</b>
<b>Brief resume of the Director</b>	Mr. Nainesh is the Managing Director and Global Co-Head of SCPE and has been with the business since 2000. In 2001, he co-founded Fin Ventures, a global Venture Capital Fund sponsored by Standard Chartered Bank, headquartered at Singapore. In 2003, Mr. Nainesh was instrumental in the launch of the Merlion India Fund, a JV between SCPE and Temasek, Singapore. With SCPE, Mr. Nainesh has made and managed successful investments in several sectors – Software / BPO, Engineering, Pharmaceuticals, Shipbuilding, Auto Components, Power Generation, Travel, and Financial Services.
<b>Expertise in Specific Functional Area</b>	Business Strategy
<b>Directorship in Indian Public Limited Companies other than Redington (India) Limited</b>	<ul style="list-style-type: none"> <li>• Amalgamated Bean Coffee Trading Company Limited</li> <li>• Powerica Limited</li> </ul>
<b>Membership of Committees in Indian Public Limited Companies other than Redington (India) Limited</b>	<ul style="list-style-type: none"> <li>• Powerica Limited – Audit Committee</li> </ul>

<b>Name of the Director</b>	<b>Mr. Lin Tai-Yang</b>
<b>Brief resume of the Director</b>	Mr. Lin, an Accounting graduate from the National Chengchi University, Taipei, Taiwan, has an overall work experience of 11 years. He joined M/s .Synnex Technology International Corporation as Accounting Manager in 2000 and currently serves as its Director of Finance Planning and Management. Mr. Lin is also a Director on the Board of several public and private limited companies including Bestcom Infotech Corporation, Synnex (Thailand) Public Company Ltd., Syntech Asia Ltd and Pt Synnex Metrodata Indonesia.
<b>Expertise in Specific Functional Area</b>	Accounting and Business Strategy
<b>Directorship in Indian Public Limited Companies other than Redington (India) Limited</b>	Nil
<b>Membership of Committees in Indian Public Limited Companies other than Redington (India) Limited</b>	Nil

## 10. COMPLIANCE WITH THE NON-MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements mentioned in Clause 49 of the Listing Agreement. Apart from this the Company has also adopted the following non-mandatory requirements in pursuit of its adoption of best governance practices.

- The Company has set up a Remuneration Committee and detailed particulars are furnished in Para 5 above.
- The Company has formulated a policy to provide a framework to promote responsible and secure whistle blowing. It protects employees who raise a concern about serious irregularities within the Company.

The Company will implement other non-mandatory requirements as and when required and/or deemed necessary by the Board.

## 11. MEANS OF COMMUNICATION:

The Company has established procedures to disseminate in a planned manner, relevant information to the shareholders, analysts, employees and the society at large.

- The quarterly, half yearly and annual results are published in **Business Standard** and **Makkal Kural** which are national and local dailies.
- The quarterly, half yearly and annual results and shareholding pattern are also posted on the website of the Company ([www.redingtonindia.com](http://www.redingtonindia.com)).
- 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.
- 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](mailto: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.

## 12. GENERAL SHAREHOLDERS' INFORMATION:

### I. Annual General Meeting

Date : 31st July 2012  
Time : 10.00 A.M.  
Venue : Mini Hall, Narada Gana Sabha, No.314 (Old No. 254), T.T.K Road, Chennai – 600 018.

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

(Tentative Calendar for the Financial Year 2012-13)

Adoption of results for & considering other items for the I Quarter: 31st July 2012

Adoption of results for & considering other items for the II Quarter: 2nd November 2012

Adoption of results for & considering other items for the III Quarter: 31st January 2013

Adoption of results for & considering other items for the IV Quarter: Before 30th May 2013

## III. Date of Book Closure : 25th July 2012 till 31st July 2012.

## IV. Dividend payment date : 29th August 2012.

## V. Listing on Stock Exchanges

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

Listing fees for the period April 2011 to March 2012 have been paid to National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

## VI. Depositories (Stock Code) : INE891D01026

## 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)  
Website : www.cameoindia.com

## VIII. Share Transfer System:

### Share Transfer Committee:

A Share transfer committee has been constituted with three directors and 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 for issue of duplicate share certificates, transmission of shares and other related complaints.

## IX. Reconciliation of Share Capital Audit:

Audit of Share Capital for reconciling total number of shares held in NSDL and CDSL and in the physical form with the issued / paid-up capital for each of the quarters in the financial year ended 31st March 2012 is carried out by a Practising Company Secretary and a Report on the same is placed before the Board. As per the reports issued there are no variations/exceptions found in the total number of shares of the Company issued held both in physical and electronic forms.

## X. MARKET PRICE DATA AND LIQUIDITY:

S.No.	Month	NSE				BSE			
		High	Low	Closing	No of Shares Traded	High	Low	Closing	No of Shares Traded
1	Apr-11	88.25	77.75	88.25	5,676,658	87.85	77.55	87.85	1,181,191
2	May-11	87.25	82.45	84.70	7,482,204	87.60	82.35	84.00	792,890
3	Jun-11	87.20	80.90	86.60	10,538,952	87.55	80.95	86.30	2,991,086
4	Jul-11	99.95	87.10	97.45	25,109,600	99.75	87.25	96.95	76,803,190
5	Aug-11	99.00	89.10	95.85	5,361,762	99.00	89.35	95.50	569,717
6	Sep-11	98.90	90.20	92.00	2,366,864	98.85	90.40	91.35	441,840
7	Oct-11	95.05	90.10	95.05	3,690,584	94.95	89.80	94.95	472,481
8	Nov-11	97.00	77.30	77.90	3,380,500	97.05	77.45	77.45	1,387,110
9	Dec-11	83.30	70.05	81.65	12,331,237	83.45	70.25	81.75	2,097,838
10	Jan-12	82.70	77.30	78.40	4,715,235	83.00	77.40	78.55	521,697
11	Feb-12	92.95	78.55	87.10	6,075,021	93.05	78.25	87.10	1,494,560
12	Mar-12	92.20	86.00	88.25	7,589,629	92.15	85.65	88.00	2,568,700



NIFTY Vs REDINGTON



SENSEX Vs REDINGTON

#### XI. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2012.

Share Holding	No. of Shareholders	% of Total Shareholders	Amount of Share Capital (₹)	% of Total share capital
2-5000	15,486	95.88	9,621,998	1.21
5001-10000	215	1.33	1,645,570	0.21
10001-20000	140	0.87	2,051,828	0.26
20001-30000	59	0.36	1,480,006	0.19
30001-40000	39	0.24	1,378,606	0.17
40001-50000	21	0.13	981,136	0.12
50001-100000	63	0.39	4,475,556	0.56
100001 & Above	129	0.80	775,521,690	97.28
<b>Total</b>	<b>16,152</b>	<b>100.00</b>	<b>797,156,390</b>	<b>100.00</b>

#### XII. STATEMENT SHOWING SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2012.

Category	No. of holders	No. of shares	% of shareholding
<b>Promoter Holding</b>			
Foreign bodies corporate	1	84,027,302	21.08
<b>Total of Promoter Holding</b>	<b>1</b>	<b>84,027,302</b>	<b>21.08</b>
<b>Non promoter holding</b>			
Mutual funds/ UTI	40	38,752,323	9.72
Foreign Institutional Investors	93	145,491,795	36.50
<b>Non Institutions</b>			
Bodies Corporate	465	15,479,173	3.89
Indian Public	15,161	9,578,305	2.40
NRI's/Foreign Nationals/Investors	353	104,699,988	26.27
Others	39	549,309	0.14
<b>Total of Non promoter Holding</b>	<b>16,151</b>	<b>314,550,893</b>	<b>78.92</b>
<b>Grand Total</b>	<b>16,152</b>	<b>398,578,195</b>	<b>100.00</b>

#### XIII. DEMATERIALISATION OF SHARES

The shares of the Company are compulsorily traded in dematerialised form by all categories of investors. As on 31st March 2012, 76.31% shares of the Company are held in dematerialised form.

#### XIV GREEN INITIATIVE UPDATES

Your Company is proud to state that as a green initiative which supports paperless compliance, it has initiated sending soft copy of notice and Annual Reports to its shareholders who have registered their e-mail ids with their Depository Participants. The Company also sends regular reminders to the registered email ids available with the Company for encashing the dividends.

To make the initiative more successful, we request shareholders to register their e-mail Ids and the changes therein with their Depository Participants (DPs) or with the Registrar and Share transfer agents from time to time for paving the way for sustainable green practices.

Nevertheless a printed Annual Report will be mailed to members on request.

#### XV. ECS MANDATE:

In order to enable the Company to serve the investors better, shareholders are requested to update their bank accounts with their respective depository participants.

#### XVI. GDR/ ADRs

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

#### XVII. LOCATIONS OF BRANCHES:

The Company has the following distribution offices, warehouses and services centers both in India and overseas.

Particulars	India	Overseas operations (through subsidiary companies)
Sales offices	56	20
Warehouses	69	33
Owned Services centers	70	35
Partner Service centers	220	15

#### XVIII. ADDRESS FOR CORRESPONDENCE:

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

Mr.M. Muthukumarasamy  
 Company Secretary  
 Redington (India) Limited,  
 Ground Floor, "Centre Point"  
 Plot No. 8 and 11 (SP),  
 Thiru-Vi-Ka Industrial Estate,  
 Ekkaduthangal, Guindy,  
 Chennai – 600 032  
 Tel: +91 44 4224 3353  
 Fax: +91 44 4224 3148  
 Email : investors@redington.co.in

The Company has a website namely www.redingtonindia.com. The website provides detailed information about the Company, its products and services, locations of its corporate office 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, 2012 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  
Date : May 25, 2012

R. Srinivasan  
Managing Director

S.V. Krishnan  
Chief Financial Officer

### Auditors Certificate on Corporate Governance

#### To the Members of Redington (India) Limited

We have examined the compliance of conditions of Corporate Governance by **Redington (India) Limited** ("the Company") for the year ended 31st March 2012 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 procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 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 further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**B. Ramaratnam**  
Partner  
(Membership No.21209)

Place : Chennai  
Date : 25th May 2012

## management discussion and analysis

### Global Outlook

The global economic outlook continues to be extremely challenging and volatile and is expected to remain so in the immediate future. The economies of most developed countries are passing through a stressful period with their governments trying to tackle recession, counter growing unemployment, and control the levels of high sovereign debt. While the American economy shows definite signs of stability and improvement in industrial output and employment figures during successive quarters, the sovereign debt and unemployment problems emerging in many European Union nations seriously impact the stability of the Global Economy.

With growth limited mostly to emerging nations, many economists predict that this may not be sufficient to counter the economic crisis of the developed countries. With more and more countries being forced to adopt severe austerity measures to bring their economies back on track, overall revival of demand for products and services is likely to take far longer than anticipated earlier.

### Indian Outlook

For most observers of the Indian Economy, the Indian problem is home-grown, rather than caused by external impacts. While exports to developed nations would be a concern and global oil prices — the single largest import bill for the Government of India — continue to increase, the bottom-line is that the country failed to build on its growth momentum of the last decade and stimulate and encourage local industries and services.

Lack of decision making in a key areas of economic-policy has prevented businesses from taking full advantage of domestic demand which has remained latent, as well as inhibited international investors from reposing full faith in the Indian economy. As per a recent report in The Economist, a financial magazine, India's national growth accelerated from an average of about 6% in the late 1980s to as much as 9%+ during the closing stages of the last decade. Sound policy decisions and reforms follow-ups, essential for maintaining growth momentum, have not been forthcoming. India's growth rate has steadily declined each quarter of the last fiscal year to a low of 6.1% during Q4. Even if the policy makers finally start instituting necessary growth initiatives, it is unlikely that the overall growth would exceed 6.5% - 7% in the immediate foreseeable future.

CRISIL Research has lowered India's GDP growth forecast for 2012-13 to 6.5 % from its March 2012 estimate of 7.0 %. The forecast has been scaled down in view of rising downside risks from recession in the Eurozone, muted domestic investment demand, a domestic policy logjam, and limited fiscal and monetary options for stimulating the economy. The growth performance in 2011-12 is India's worst in the past nine years and a repeat of that in 2012-13 will make any meaningful recovery that much more difficult.

According to ICRA, India's economic growth is expected to remain moderate in 2012-13 unless substantial policy measures are undertaken to boost investment sentiments. The Associated Chambers of Commerce and Industry of India (ASSOCHAM), in reaction to the Economic Survey 2011-12 has observed that India needs immediate financial and structural reforms to boost falling business confidence and growth momentum. A survey of CEOs of leading Indian business establishments reveals that their confidence level today is at its lowest in many years.

### Nature of Business

Your Company is a Supply Chain Solutions provider in emerging markets and makes value offerings in all segments of the business line. As a group, Redington is present in India, the sub-continent including Sri Lanka, Bangladesh, Maldives (operating out of Singapore), Middle East, Turkey, Africa, and the CIS countries. Starting as a pure-play IT distributor, your Company has successfully distinguished itself from its competitors by transforming itself into a Supply Chain Solutions Provider with tailored offerings for various customer segments.

Your Company has successfully altered the total value of the Supply Chain offering by being a pioneer in integrating Post-sales Support services and Financial Services as unique components.

### Industry Structure

The fast rate of adoption of Information Technology over the past two decades by Indian businesses and the Indian consumer can be essentially attributed to a multitiered distribution structure. This has facilitated availability of products and technology across the geographical spread of the country while providing the necessary financial credit structure that has been key to the explosive growth of this industry.

With almost 70% of the domestic IT hardware and software demand being met through the tiered distribution structure, the vendors have been able to very quickly reach out to their customers with newer products and solutions.

The Digital Lifestyle products space, the Smart phone market, and the Digital Printing Solutions industry are much more fragmented with many vendors choosing to adopt a more direct approach to the market. While more vendors have increasingly recognised the necessity to have a structured, multitiered channel driven approach, the strength and advantages of national distribution remains largely untapped by these segments.

## Strengths, Opportunities and Concerns

### Strengths

Your Company's core competencies lie in identifying the ever changing requirements of its vendors and business partners and developing capabilities to meet those requirements better than its competitors.

The requirements of vendors for Volume-driven products is met by offering sales and warehousing infrastructure across the length and breadth of large geographies, providing post-sales support services, and enabling a well-structured credit frame-work.

The essentials of the Value business portfolio require complex logistics solutions – starting from the vendors' shipping locations and often ending at the end-user's premises. The nature of the value business also calls for mid-market development skills and tailored commercial offerings to meet differing requirements of different projects. Your Company's strength in the SMB space and in project execution has made it the distributor-of-choice for most of its "Value" vendors and partners.

Your Company's strategy to establish ground level presence in difficult-to-penetrate markets in the META region has made it the pre-eminent distribution partner in that geography. Your Company's practice of actually following the oft-repeated theory of "global practices – local presence" has enabled it to structure its operations to meet country-specific requirements.

Its thrust on partnering with more vendors for adding new products in its business boutique beyond the territories of the domestic market without compromising market share is one of the greatest assets of your Company. Your Company has a strong presence in over 23 countries, is associated with over 120 leading global IT and telecom brands and has over 32,000 channel partners. Having 76 sales offices, 102 warehouses and 105 own service centres, and 235 partner service centres, your Company can do well in the difficult to operate geographies.

In short, the inherent strength of your Company derives from its absolute belief in sound, sustainable business practices and an ability to continuously address the diverse needs of its business partners.

### Opportunities

Your Company's growing expertise in 3PL service offerings present it with an extremely interesting and promising business opportunity. The Indian Logistics market is projected to witness a CAGR of around 26% during forecast period (2011-2013), reaching total revenue of nearly US\$ 4.6 Billion by March 2013. Your Company aims to identify suitable niches within this vast business opportunity and leverage its core strength in logistics to become a meaningful player in this space.

Recognizing that Africa is a truly untapped market, your Company established operations in key countries in that region some years ago. Currently penetration levels for the products your Company deals in are very low and presents a huge opportunity. Improving socio-economic conditions, emergence of democratically elected governments in some countries and increasing investments in infrastructure will accelerate adoption of IT and Communications products. We believe that your Company is uniquely positioned to take maximum advantage of any business opportunity that may present itself. The success in these markets will result from implementation of best practices from other established operations, availability of trained employees, strengths in stocking and finance; ability to provide accurate market and finance reports for vendors and customers; developing partner confidence through joint market activities; and providing valuable advice to channel partners based on experience.

Your Company's ability to engage itself with its vendors in the implementation of their marketing strategies for newer technologies and products will ensure that it can utilize all unique opportunities. Storage applications to handle Big

Data and increasing acceptance of Virtualization and Cloud Computing will provide your Company with the next growth opportunity as it develops capabilities in these business verticals.

### Concerns

Overall, the uncertainty of consumer, commercial and enterprise demand of the products that your Company deals in will be the single biggest challenge in the immediate future. A difficult financial eco-system, where availability of funds at a reasonable cost is proving to be challenge, can further aggravate the situation.

In a depressed business scenario, too many players will be chasing too few opportunities, and hence sustaining both Revenue and Profits will be difficult. The constant challenge faced due to vendors cutting down available channel margins and continuously trying to look at cheaper go-to-market alternatives is a significant concern.

Our success with brand BlackBerry presents a unique challenge in itself due to the problems that the brand faces globally.

The rupee has depreciated by more than 18% since May 2011, with serious all-round impact on the economy. With the rupee breaching the exchange rate of 55-to-the-dollar mark, profit margins of our vendors has come under severe pressure, and this has resulted in price increases for the consumer. The depreciating rupee has also impacted the non-branded PC segment as imported components have become significantly more expensive. This will have a definite impact on demand. The wholesale and distribution industry will need to continuously re-invent itself with relevant value offerings to remain competitive and profitable. Those amongst existing players who are able to successfully weather this challenge will survive and prosper.

### Risk management

The fundamentals of the Distribution Business lie in skilful business risk management. Since carrying stocks and extending credit is the basic requirement of multi-tiered product distribution, these two services also define the two risk-areas that your Company has to manage smartly for sustained profitability and long-term business health.

Pricing uncertainty due to fluctuating foreign exchange rates, product and technology obsolescence, dependency on major vendors, supplier compliance norms, and regulatory challenges are some other important dynamic risk areas that your Company has to routinely manage to maintain business performance.

Your Company has in place robust risk management processes at all levels of its operations. Risks involved at various levels are identified, monitored and managed on a continuous basis, both manually and through its ERP system. Regular audits are undertaken to identify possible weak areas and necessary corrective measures are instituted. Every care is taken to ensure that there is effective partitioning between the various risk-assessment teams and the operational teams to minimize undue influence.

### Sustainability

Your Company recognizes that its survival and long-term vibrant business organization depends on its ability to continuously add to its skill-areas, while consolidating and improving its operational efficiencies and scalability in its traditional business lines.

Addition of futuristic product portfolios in Smart Communications, Digital Lifestyle, and Digital Printing has allowed your Company to leverage its traditional skill-sets in completely new industry and channel segments.

Strengthening the Value offerings for an effective product portfolio in the Virtualization, Storage and Cloud business spaces will insulate your Company from changes in customer buying patterns of products and solutions.

To take advantage of the opportunities that are fast emerging in the area of Supply Chain Management, it will be crucial for your Company to gain enhanced domain knowledge in warehousing and logistics operations. The lead taken in investing in state-of-the-art Automated Distribution Centers (ADCs) demonstrates your Company's determination in developing modernized and tailor-made 3PL solutions for potential customers.

Financial Capital is key to any business activity and your Company has always recognized its importance. With a view to taking advantage of a widening gap that exists between the Working Capital requirements of its business partners and the Capital that is actually available to these partners for funding their growing businesses, your Company set up its Non-Banking Financial Services arm, Easyaccess Financial Services Limited (Easyaccess). Starting with



offerings for its captive base of existing channel partners, Easyaccess now provides your Company an added value proposition by extending these across carefully selected customer segments.

Post-sales service offerings of your Company is one area that is least understood and rarely appreciated. However, your Company has always believed that for any brand to become successful and for India in general to become a quality conscious country, we have to ultimately recognise the immense value of a truly dependable and trustworthy service infrastructure. Your Company has significant domain knowledge and skill-sets in this line of business and the importance of its process based operations are slowly but steadily gaining traction with value-conscious vendors. As customers become more quality conscious and see increasing value in paying for good service infrastructure, this vertical would probably become the standard bearer for the industry.

In short, your Company's long term sustainability will be ensured through continuously adapting to the changing usage and demand patterns for its products and services and by embedding high quality in all its interfaces with its customers.

### Environmental and Social responsibility

Your Company consciously engages in businesses which do not pose any direct threat to the environment and the society. Policies are framed with a view to being a responsible corporate citizen. While making profit is key for enhancing shareholder value, ensuring sustainability of the business and adopting ethical business practices as a way of life is also built into the system.

Understanding global environmental threats, your Company's business sustainability initiatives contribute to the society and environment in such a way that it is a win-win situation for both the society and the Company. Your Company encourages its employees to think actively towards minimising consumption of energy and utilities. It provides a workplace environment that is safe, hygienic and humane, which upholds the dignity of the employees and strictly discourages any form of exploitation. Your Company policy does not allow engagement of child labour, forced labour or any form of involuntary labour. Your Company systematically identifies stakeholders' concerns, assumes responsibilities and assures transparency in framing policies that are associated with the stakeholders.

Being a responsible corporate citizen, your Company ensures ethical values at all level of its functions. Your Company has also conducted free eye and dental check-up programs for its employees and their family. With a view to ensuring employees' skill and competency, your Company provides financial assistance to those who pursue professional courses on an equal and non-discriminatory basis. A gymnasium is also available to the staff to help them maintain a healthy life style. Your Company has also recently encouraged its employees at its corporate head-quarters to participate in yoga training sessions which are conducted within its premises.

### Development of Human Resources

Your Company takes pride that it employs persons from more than 23 different nations and operates in a multi faith and multi-cultural environment.

Your Company has instituted a highly "people-driven" culture within the organization. It believes that human resources are its most important assets and has encouraged professionals who enter the corporate family for a career to think and behave as entrepreneurs. They are trained to make decisions as if this were their own business and act with a great degree of independence in their defined area of responsibility. This has been the bedrock of your Company's performance over the years.

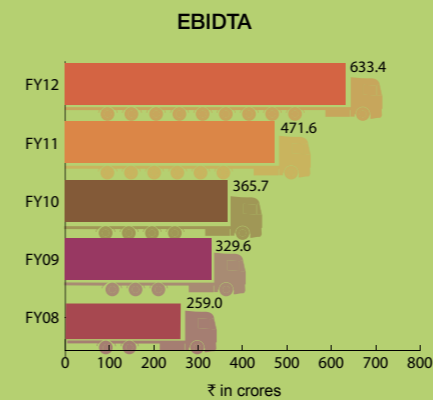
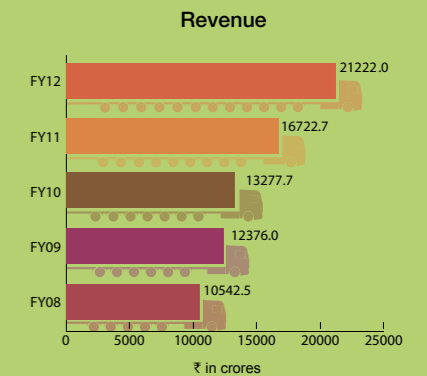
Like any other consistently performing organization, your Company's success is crucially dependent on its ability to attract, train and retain the services of talented individuals. Your Company endeavours to build, manage, reward and retain talent through a variety of initiatives. Ensuring a transparent, cohesive, conducive and professional working environment with a high degree of freedom, fair compensation and wealth creation opportunities, has provided stability to your Company's operations with very low attrition amongst its Executive Management Team and an enviable degree of continuity and consistency in its Middle and Senior Management Teams for extended periods.

## FINANCIAL PERFORMANCE & POSITION

The financials 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 is prepared in accordance with the Singapore Financial Reporting Standards and other overseas subsidiaries are prepared according to the International Financial Reporting Standards

### Analysis of Consolidated Financials

**Revenue-** Revenue for the fiscal 2012 grew by 26.9 % to ₹ 21,222.0 Crore from ₹ 16,722.7 Crore in the previous year. Revenues grew strongly both in India as well as in the overseas geography. Revenues from Overseas subsidiaries contributed 53.1 % of the total revenues.



**EBIDTA** – grew by 34.3 % to ₹ 633.4 Crore in the fiscal 2012 from ₹ 471.6 Crore for the fiscal 2011.

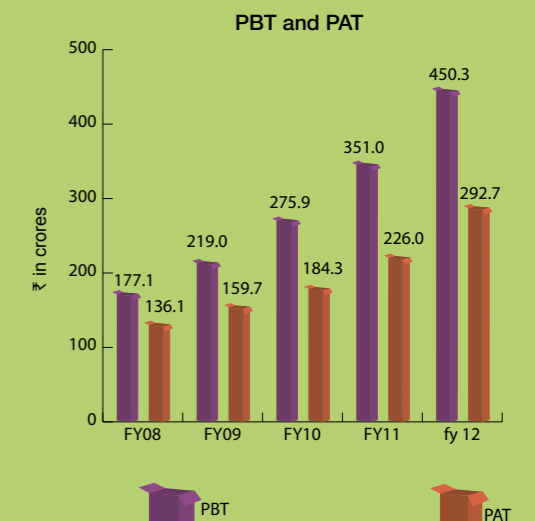
EBIDTA as a percentage of revenue touched a high of 3.0 % for the fiscal 2012 as against 2.8% for the previous fiscal.

**PBT and PAT-** Profit before tax is ₹ 450.3 Crore for the year as against ₹ 351.0 Crore for the last fiscal year.

The provision for current tax and deferred tax for the year is ₹ 111.3 Crore as against ₹ 86.2 Crore for last year.

PAT for the year after minority interest is ₹ 292.7 Crore for the fiscal 2012 as against ₹ 226.0 Crore for the fiscal 2011.

The growth of 28.3 % and 29.5% 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 revenue have grown to 2.12% and 1.38% respectively, as against 2.10% and 1.35% in the previous fiscal.



**Interest** - Interest cost has increased to ₹ 152.0 Crore as against ₹ 96.1 Crore during the previous fiscal. Interest as a percentage of revenue has increased from 0.6% in the previous fiscal to 0.7% in the current fiscal year primarily on account of increase in interest rate in India.

**Other Expenses** includes Rent, Freight, Commercial taxes, Advertisement, Travel etc. It has increased to ₹ 373.5 Crore during this fiscal year 2012 compared to 278.3 Crore for fiscal year 2011 .

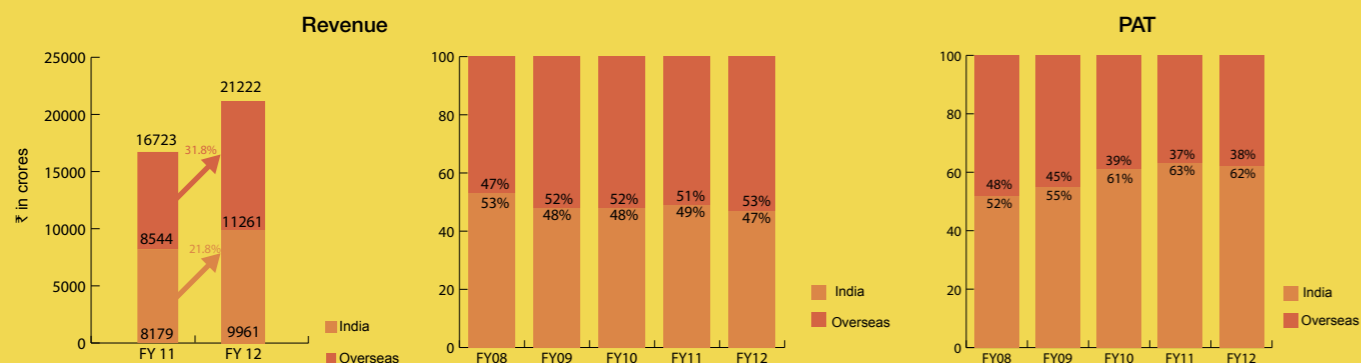
**Fixed Assets** – Increased to ₹ 178.3 Crore as of 31st March 2012 as against ₹ 147.4 Crore as of 31st March 2011.

**Long term Borrowings** – ₹ 512.1 Crore of Long term Borrowings includes 5 year term loan of ₹ 396.8 Crore (USD 78 Million) taken by the Company's Wholly-Owned Subsidiary (WOS) Redington International Mauritius Limited (RIML) during February and March 2012. The loan was taken to consolidate RIML's holding in Redington International Holdings Limited (RIHL). RIHL has since become a WOS of RIML. ₹ 101.8 Crore (USD 20 Million) relates to a three year term loan taken by Redington Gulf FZE, Dubai towards the subsidiaries' working capital requirement. Balance 13.5 Crore relates to a loan given by M/s EMC Data Storage Systems (India) Private Limited to one of our Indian Wholly Owned Subsidiary, Cadensworth (India) Limited.

**Short term Borrowings** – Decreased by 2.6% to ₹ 1,548.2 Crore as on March 31, 2012 as against ₹ 1,589.7 Crore as on March 31, 2011.

### Geography wise revenue

Both India as well as overseas markets have performed well during this fiscal year when compared to the previous financial year. Despite the dollar appreciation and political unrest in MEA region, the Company has managed to post good numbers in the year under review.



### Exchange rates

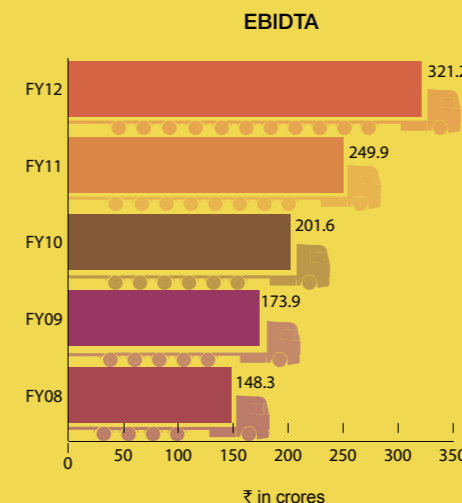
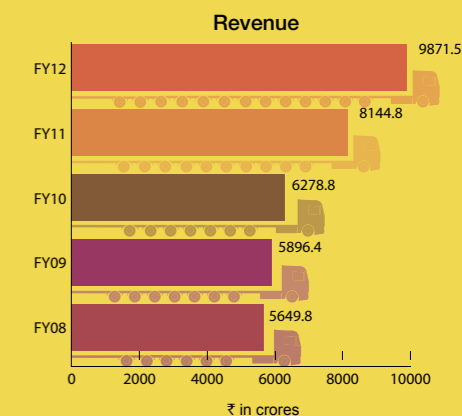
During the year under review the exchange rate of USD-INR has fluctuated high and the US dollars appreciated by more than 10% to Indian rupee. The increase in the forex rate impacts the demand environment in the country.

USD Vs. INR movement

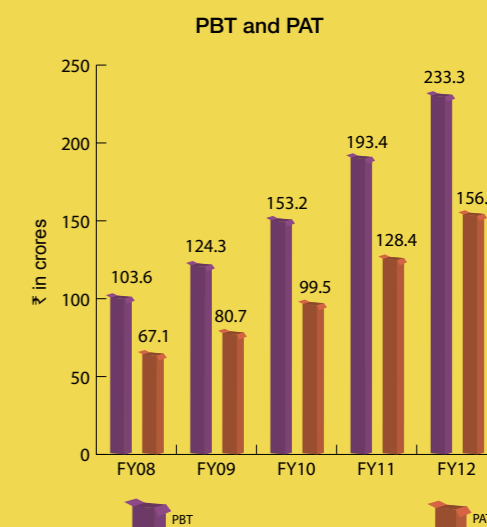


### Analysis of Standalone Financials

**Revenue** has grown to ₹ 9871.5 Crore in the fiscal year 2012 from ₹ 8144.8 Crore in fiscal year 2011.



**EBIDTA** increased by 28.5% to 321.2 Crore during the fiscal year 2012 as against ₹ 249.9 Crore in previous fiscal year 2011. EBIDTA as a % of total revenue has been at 3.3 % during this fiscal year as against 3.1 % during the previous fiscal year 2011.



**PBT and PAT** - Profit before tax increased to ₹ 233.3 Crore during the year as against ₹ 193.4 Crore during the last fiscal year. Profit After Tax increased to ₹ 156.8 Crore during the year as against ₹ 128.4 Crore during the fiscal 2011. The Y-o-Y growth of 20.6% and 22.1% 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 sales has been at 2.36 % and 1.59 % respectively, as against 2.37% and 1.58% in the previous fiscal.

**Employee compensation cost** increased to ₹ 97.5 crore from ₹ 83.1 crore in the fiscal year 2011. There has been an increase of 17.4% in this fiscal year when compared to the previous fiscal year

**Interest cost** for the fiscal 2012 has increased by 80% to ₹ 77.4 crore as against the previous fiscal year which stood at ₹ 43.1 Crore. The main reason for this increase is the increase in Interest rates of your Company's borrowings in India.

**Other expenses** for this fiscal year have also increased by 30.2% mainly due to rent, freight, commercial taxes and bad debts. The other expenses has increased to ₹171.8 crore when compared to previous fiscal year which stood at ₹ 132.0 crore.

**Borrowings** – Increased to ₹ 620.7 Crore as on March 31, 2012 as against ₹ 515.0 Crore as of March 31, 2011.

**Fixed Assets** – Increased to ₹ 80.8 Crore during the fiscal 2012 as against ₹ 67.4 Crore during the previous fiscal.

**Cautionary 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.

## 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, 2012, the Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012;
    - (ii) in the case of the Statement of Profit and Loss, 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, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 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 No.008072S)

**B Ramaratnam**  
Partner  
(Membership No.21209)

CHENNAI, May 25, 2012

**standalone financial statements**

**(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 (vi), (viii), (x), (xii), (xiii), (xiv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable for the year.
- (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 explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (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 explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and 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 no transactions need to be entered in the register maintained under 301 of the Companies Act, 1956.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax/Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise 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, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income-tax, Sales Tax/Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2012 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	Various appellate Authorities	Various years	15.27
Income Tax Act, 1961	Income Tax	Various appellate Authorities	Assessment years 2005-06 to 2008-09	585.62
Sales Tax Act of various states	Sales Tax	Various appellate Authorities	2002-03, 2004-05 to 2009-10	426.65
Central Sales Tax Act, 1956	Sales Tax	Various appellate Authorities	2002-03, 2006-07 to 2009-10, 2011-12	448.83

- (ix) 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.
- (x) 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 are not *prima facie* prejudicial to the interests of the Company.
- (xi) 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.
- (xii) 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  
(Registration No.008072S)

B. Ramaratnam  
Partner  
(Membership No. 21209)

**CHENNAI, May 25, 2012**

**Balance Sheet as at March 31, 2012**

(₹ in Lakhs)

Particulars	Note No.	31-March-2012	31-March-2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	7,971.56	7,926.60
Reserves and surplus	4	82,925.78	68,479.80
		<b>90,897.34</b>	<b>76,406.40</b>
<b>Non-current liabilities</b>			
Long-term provisions	5	663.70	525.90
		<b>663.70</b>	<b>525.90</b>
<b>Current liabilities</b>			
Short-term borrowings	6	62,071.50	51,502.84
Trade payables	7	96,439.11	91,658.19
Other current liabilities	8	12,148.77	13,244.81
Short-term provisions	9	1,937.73	5,151.89
		<b>172,597.11</b>	<b>161,557.73</b>
<b>TOTAL</b>		<b>264,158.15</b>	<b>238,490.03</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	10		
(i) Tangible assets		7,171.06	6,520.49
(ii) Intangible assets		44.05	83.72
(iii) Capital work-in-progress		867.93	140.15
Non-current investments	11	59,042.89	46,300.09
Deferred tax assets (net)	12	506.85	404.85
Long-term loans and advances	13	3,739.27	3,178.86
		<b>71,372.05</b>	<b>56,628.16</b>
<b>Current assets</b>			
Inventories	14	81,699.38	71,743.07
Trade receivables	15	83,417.46	85,426.80
Cash and cash equivalents	16	6,181.83	15,019.67
Short-term loans and advances	17	21,487.43	9,672.33
		<b>192,786.10</b>	<b>181,861.87</b>
<b>TOTAL</b>		<b>264,158.15</b>	<b>238,490.03</b>

See accompanying notes forming part of financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins &amp; Sells

Chartered Accountants

**B Ramaratnam**

Partner

**R Srinivasan**

Managing Director

**Raj Shankar**

Deputy Managing Director

**M Raghunandan**

Whole Time Director

**S V Krishnan**

Chief Financial Officer

**M Muthukumarasamy**

Company Secretary

Place : Chennai

Date : May 25, 2012

**Statement of Profit and Loss for the year ended March 31, 2012**

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2012	Year Ended March 31, 2011
Revenue from operations	18	984,040.52	813,194.94
Other income	19	3,107.51	1,289.30
<b>Total Revenue</b>		<b>987,148.03</b>	<b>814,484.24</b>
<b>Expenses:</b>			
Purchases of trading stocks		938,045.80	797,484.45
Changes in inventories of trading stock		(9,956.31)	(29,501.86)
Employee benefits	20	9,753.27	8,310.37
Finance costs	21	7,740.43	4,305.28
Depreciation & amortisation	10	1,054.76	1,347.00
Other expenses	22	17,180.87	13,199.36
<b>Total Expenses</b>		<b>963,818.82</b>	<b>795,144.60</b>
<b>Profit Before Tax</b>		<b>23,329.21</b>	<b>19,339.64</b>
<b>Tax expense:</b>			
Current tax		7,750.00	6,650.69
Deferred tax		(102.00)	(155.09)
<b>Profit for the Year</b>		<b>15,681.21</b>	<b>12,844.04</b>
<b>Earnings per equity share:</b>			
Basic		<b>3.94</b>	<b>3.25</b>
Diluted		<b>3.93</b>	<b>3.23</b>

See accompanying notes forming part of financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins &amp; Sells

Chartered Accountants

**B Ramaratnam**

Partner

**R Srinivasan**

Managing Director

**Raj Shankar**

Deputy Managing Director

**M Raghunandan**

Whole Time Director

**S V Krishnan**

Chief Financial Officer

**M Muthukumarasamy**

Company Secretary

Place : Chennai

Date : May 25, 2012

## Cash Flow Statement for the year ended March 31, 2012

(₹ in Lakhs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>23,329.21</b>	<b>19,339.64</b>
Adjustments for:		
- Depreciation & amortisation	1,054.76	1,347.00
- Interest expense	7,740.43	4,305.28
- Interest income	(2,088.79)	(638.06)
- Provision for doubtful receivables	1,013.37	486.14
- Dividend from Subsidiaries	(568.85)	(442.21)
- Dividend income from short term Investments	(68.30)	-
- Provision for compensated absences	101.42	(10.35)
- Provision for gratuity	128.67	128.95
- Unrealised foreign exchange (net)	879.86	63.00
- Loss/(Profit) on sale of fixed assets	(8.03)	(18.85)
<b>Operating Profit before working capital change</b>	<b>31,513.75</b>	<b>24,560.54</b>
(Increase)/Decrease in Trade receivables	995.97	(18,057.49)
(Increase)/Decrease in Loans & advances and Other current assets	225.08	(6,102.94)
Increase in Inventories	(9,956.31)	(29,501.86)
Increase in Trade Payables, Other Current Liabilities & Provisions	2,515.49	44,247.81
<b>Cash generated from operations</b>	<b>25,293.98</b>	<b>15,146.06</b>
Direct taxes paid	(8,344.81)	(7,754.60)
<b>Net Cash generated from operating activities</b>	<b>16,949.17</b>	<b>7,391.46</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets	(2,449.31)	(1,300.56)
Proceeds from Sale of fixed assets	63.90	47.19
Interest received	1,847.58	595.10
Dividend Income from Subsidiaries	568.85	442.21
Dividend Income from short term Investments	68.30	-
Loan granted to ESPS Trust	-	(4.50)
Loan settled by ESPS Trust	4.50	-
Loans granted to Subsidiaries	(67,854.35)	(22,330.50)
Loans settled by Subsidiaries	56,238.35	22,090.50
Purchase of short term Investments	(67,750.00)	-
Redemption of short term Investments	67,750.00	-
Deposits placed	(260.00)	(235.00)
Deposits settled	235.00	-
Investments in Subsidiaries	(12,742.80)	(395.00)
<b>Net Cash used in investing activities</b>	<b>(24,279.98)</b>	<b>(1,090.56)</b>
<b>C. Cash flow from financing activities:</b>		
Repayment of term loan to bank	(1,875.00)	(625.00)
Proceeds from short term borrowings (net)	12,443.66	14,575.55
Proceeds from exercise of Employee Stock Option	591.07	825.62
Dividends paid (including dividend tax)	(5,025.20)	(4,560.33)
Interest paid	(7,666.56)	(3,728.44)
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,532.03)</b>	<b>6,487.40</b>
<b>Net decrease/(increase) in cash and cash equivalents</b>	<b>(8,862.84)</b>	<b>12,788.30</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>14,784.67</b>	<b>1,996.37</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5,921.83</b>	<b>14,784.67</b>
<b>Reconciliation of cash equivalent at the end of the year as per Balance sheet</b>	<b>6,181.83</b>	<b>15,019.67</b>
Less: Bank Deposits placed for more than three months treated as investing activities	260.00	235.00
<b>Cash and cash equivalents at the end of the year</b>	<b>5,921.83</b>	<b>14,784.67</b>

See accompanying notes forming part of financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells  
Chartered AccountantsB Ramaratnam  
PartnerR Srinivasan  
Managing DirectorRaj Shankar  
Deputy Managing DirectorM Raghunandan  
Whole Time DirectorS V Krishnan  
Chief Financial OfficerM Muthukumarasamy  
Company SecretaryPlace : Chennai  
Date : May 25, 2012

## Notes to financials statements for the year ended March 31, 2012

## 1. Company Overview

Redington (India) Limited, is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's stocks are listed on the bourses of Bombay stock exchange and National stock exchange of India. The Company primarily operates in the distribution business and after sales service of Information Technology and other products. The Company and its subsidiaries operate in India, South Asia, Middle East Africa and Turkey.

## 2. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). These financial statements comply with the relevant provisions of the Companies Act, 1956 (the Act) and the Accounting Standards notified by the Central Government under Companies (Accounting Standard) Rules, 2006. The accounting policies adopted in the preparation of financial statements are consistent with the previous year.

## 2.1. Summary of Significant Accounting Policies

## a. Presentation and disclosure of financial statements

During the year ended 31st March 2012, the revised Schedule VI notified under Companies Act 1956 has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements, however, it impacts presentation and disclosure made in the financial statements. The previous year figures have been reclassified to make them comparable with those of current year.

## b. Use of Estimates

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosures relating to contingent assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates and differences between the actual results and estimates are recognised in the year is where the results are known or materialised

## c. Fixed assets

Tangible assets

Tangible Assets are recorded at cost less accumulated depreciation. Cost comprises of purchase price and other directly attributable cost of bringing the assets to its working condition for the intended use. Gains or losses arising from derecognition of tangible fixed assets are measured as the difference between the net proceeds from disposal and carrying amount of the asset and are recognised in the statement of profit and loss.

Depreciation on Tangible assets:

1. Depreciation on tangible assets is calculated on a straight-line basis over the estimated useful lives, as determined by the Management at the following rates which are higher than the rates prescribed under Schedule XIV of the Companies Act, 1956.

Class of Asset	Rates %
Buildings	5
Plant & Equipment	20
Furniture & Fixtures	25
Office Equipments	20
Computers	33.33
Vehicles	20

- Depreciation on additions to fixed assets is provided from the month of addition.
- Individual fixed asset whose cost does not exceed ₹ 5,000/- are fully depreciated in the year of acquisition.
- Expenditure on Interiors on premises taken on lease (included in furniture & fixtures) are capitalized and depreciated over a period of five years.

#### **Intangible assets:**

Intangible assets are recorded at cost less amortization.

Intangible assets are amortized over the estimated useful economic life.

Class of Asset	Rates %
Software	33.33

#### **d. Impairment of tangible and intangible assets**

The Company determines periodically whether there is any indication of impairment of the carrying amount of its assets. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. The recoverable amounts of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### **e. Leases**

Leases are classified as finance or operating leases depending upon the terms of the lease agreements.

#### **f. Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost or fair value. Long-term investments which are strategic in nature are generally carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

#### **g. Inventories**

Inventories are stated at lower of cost and net realizable value. Costs include cost of purchase and other costs incurred in bringing the inventories to the warehouse, net of discounts and rebates and is determined on weighted average basis.

#### **h. Foreign Currency Transactions**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

All monetary assets and liabilities in foreign currency are restated at the end of the accounting period at the prevailing exchange rates as on the Balance Sheet date and exchange gain/loss is suitably dealt with in the statement of Profit and Loss.

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the year.

#### **i. Warranties**

The Original Equipment Manufacturer generally warrants the products distributed by the Company.

#### **j. Revenue Recognition**

- Revenue from Sales is recognised when the ownership and title is transferred which generally coincides with delivery. Revenue is stated net of discounts, rebates and sales tax.
- Service Income is recognized when services are rendered. Income from Warranty and Maintenance Contracts is recognized as per the terms of contract.
- Revenue from supplier schemes is accrued, based on the fulfillment of terms of such programs.

#### **k. Other Income**

- Dividend income is recognised when the Company's right to receive dividend is established.
- Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income on overdue receivables is recognized only when there is a certainty of receipt.

#### **l. Employee Benefits**

##### **i. Short Term Employee Benefits**

Short term employee benefits including accumulated short term compensated absences determined as per Company's policy/scheme are recognized at the Balance Sheet date as expense based on expected obligation on an undiscounted basis.

##### **ii. Long Term Employee Benefits**

Defined Benefit Plan

Compensated Absences & Gratuity

The liability for Gratuity and long term compensated absences both unfunded is provided based on actuarial valuation as at the Balance Sheet date, using the Projected Unit Credit Method. Actuarial gains and losses are recognized in the statement of Profit and Loss for the period in which they occur. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Defined Contribution Plan

Contribution under statutory laws relating to employee benefits, including Provident Fund and ESI, is made in accordance with the respective rules and is charged to statement of Profit and Loss.

#### **m. Employee share based payments**

Stock options granted to the employees under the Employee Stock Option Scheme are evaluated in accordance with the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities and Exchange Board of India and the guidance note on Employee share based payments issued by the Institute of Chartered Accountants of India. The Company follows the intrinsic value method of accounting for the options and accordingly the excess of market value of the stock options as on date of grant over the exercise price of the options, if any, is recognized as deferred employee compensation and is charged to the statement of Profit and Loss on graded vesting basis over vesting period of options.

## n. Current and deferred tax

- Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit for the year.
- Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961, on the income for the year chargeable to tax.
- Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of the assets and liabilities and their respective tax bases using enacted or substantially enacted tax rates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward to the extent they can be realized.

## o. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for

- Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
  - Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- Contingent assets are not recognized in the financial statements.

## p. Segment Reporting

The Company prepares its segment information in conformity with the accounting policies adopted for presenting the financial statements of the Company as a whole.

## q. Cash and cash equivalents;

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash.

## r. Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity shares.

## s. Derivative Instruments and Hedge Accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company does not hold derivative financial instruments for speculative purposes. The Company has applied to all such contracts outstanding as on March 31, 2012 the hedge accounting principles set out in Accounting Standard 30 "Financial Instruments : Recognition and Measurement" (AS30) by marking them to market. Changes in the fair value of the contracts that are designated and effective hedges of future cash flows are recognised directly in Hedging Reserve Account.

## 3. Share Capital

- The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-

	₹ in Lakhs	
	31-Mar-2012	31-Mar-2011
<b>Authorized shares</b>		
425,000,000 (Previous Year 425,000,000) Equity Shares of ₹ 2/- each	8,500.00	8,500.00
<b>Issued, Subscribed and fully paid up</b>		
398,578,195 (Previous Year 396,330,055) Equity Shares of ₹ 2/- each fully paid up	7,971.56	7,926.60

- Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	31-Mar-2012		31-Mar-2011	
	No of shares	₹ in Lakhs	No of shares	₹ in Lakhs
At the beginning of the year	396,330,055	7,926.60	393,179,830	7,863.60
Allotted during the year under – ESOP, 2008	2,248,140	44.96	3,150,225	63.00
<b>Outstanding at the end of the year</b>	<b>398,578,195</b>	<b>7,971.56</b>	<b>396,330,055</b>	<b>7,926.60</b>

- Terms/rights attached to equity shares:

Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. For the year ended March 31, 2012 a dividend of ₹ 0.40 per equity share has been proposed by the Board of Directors (Previous year ₹ 1.10 per share). The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

- Shares held by shareholders holding more than 5 %

	31-Mar-2012		31-Mar-2011	
	No of shares	% of Share holding	No of shares	% of Share holding
Redington (Mauritius) Limited	84,027,302	21.08	114,507,975	28.89
Synnex (Mauritius) Limited	94,295,940	23.66	110,190,940	27.80
Standard Chartered Private Equity (Mauritius) Limited	47,686,500	11.96	-	-
T Rowe Price International	-	-	35,243,841	8.89

## 4. Reserves & Surplus

	₹ in Lakhs	
	31-Mar-2012	31-Mar-2011
<b>i. Securities Premium Reserve</b>		
Balance as per the last Balance sheet	34,489.26	33,726.64
Add: Share issued on exercise of ESOP,2008	546.11	762.62
<b>Balance at the end of the year</b>	<b>35,035.37</b>	<b>34,489.26</b>

	₹ in Lakhs	
	31-Mar-2012	31-Mar-2011
<b>ii. General Reserve</b>		
Balance as per the last Balance sheet	4,181.17	2,896.77
Add: Transfer from surplus in statement of profit and loss	1,176.09	1,284.40
<b>Balance at the end of the year</b>	<b>5,357.26</b>	<b>4,181.17</b>

	₹ in Lakhs	
	31-Mar-2012	31-Mar-2011
<b>iii. Hedge Accounting Reserve</b>		
Balance as per the last Balance sheet	(2.09)	(184.77)
Add: Net movement during the year	19.61	182.68
<b>Balance at the end of the year</b>	<b>17.52</b>	<b>(2.09)</b>



₹ in Lakhs

iv. Surplus in the Statement of profit and loss	31-Mar-2012	31-Mar-2011
Balance as per the last Balance sheet	29,811.46	23,295.51
Profit for the year	15,681.21	12,844.04
<b>Sub total</b>	<b>45,492.67</b>	<b>36,139.55</b>
<b>Less: Appropriations</b>		
Proposed final equity dividend for the year	1,595.22	4,370.95
Dividend Distribution Tax on the Proposed Dividend	197.53	658.91
Dividend including Dividend distribution tax for previous year (6,41,310, Previous Year 237,235 equity shares issued under Employee Stock Option Plan 2008)	8.20	13.83
Transfer to general reserve	1,176.09	1,284.40
<b>Balance at the end of the year</b>	<b>42,515.63</b>	<b>29,811.46</b>

<b>Total reserves and surplus</b>	<b>82,925.78</b>	<b>68,479.80</b>
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## 5. Long Term Provisions

₹ in Lakhs

	31-Mar-2012	31-Mar-2011
Compensated Absences	196.20	154.53
Gratuity	467.50	371.37
<b>Total</b>	<b>663.70</b>	<b>525.90</b>

### Gratuity

The Company's obligation towards Gratuity fund is a Defined Benefit Plan and the details of actuarial valuation as at the year end is given below:

#### a. Movement

₹ in Lakhs

Particulars	2011-12	2010-11
<b>Projected Benefit Obligation at the beginning of the year</b>	<b>401.14</b>	<b>313.64</b>
Service cost	101.68	125.36
Interest Cost	28.83	22.00
Actuarial (gain) / loss	(1.84)	(18.41)
Benefits paid	(34.53)	(41.45)
<b>Projected Benefit Obligation at the end of the year</b>	<b>495.28</b>	<b>401.14</b>
Amount recognized in the Balance Sheet:		
Projected benefit obligation at the end of the year	495.28	401.14
Liability recognized in the Balance Sheet	<b>495.28</b>	<b>401.14</b>
<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
<b>Cost of the defined plan for the year:</b>		
Current service cost	101.68	125.36
Interest on obligation	28.83	22.00
Net actuarial loss recognized in the year	(1.84)	(18.41)
<b>Net cost recognized in the Statement of Profit and Loss</b>	<b>128.67</b>	<b>128.95</b>

## b. Assumptions

Particulars	2011-12	2010-11
Discount Rate	7.5%	7.5%
Salary escalation rate	5%	5%
Demographic assumptions – Mortality	LIC 94-96 rates	LIC 94-96 rates
Demographic assumptions – Withdrawal	3%	3%

The amount provided for gratuity as per actuarial valuation has been arrived after considering future salary increase, inflation, seniority and promotion.

## 6. Short-term borrowings

₹ in Lakhs

	31-Mar-12	31-Mar-11
<b>Secured Loan from Banks</b>		
- Repayable on demand	21,700.06	-
- Others	22,286.93	33,877.21
Secured - Term Loan from Banks	-	1,875.00
<b>Unsecured Loan from Banks</b>		
- Repayable on demand	157.86	-
- Others	17,926.65	15,750.63
<b>Total</b>	<b>62,071.50</b>	<b>51,502.84</b>

- Loans from Banks are secured by pari-passu charge on fixed assets, Inventory, and trade receivables.
- The Company placed Commercial Paper during the year, there are no amounts outstanding as at March 31, 2012 and the maximum amount outstanding any time during the year was ₹ 29,000 Lakhs (Previous Year ₹ 27,500 Lakhs).

## 7. Trade Payables

₹ in Lakhs

	31-Mar-2012	31-Mar-2011
Trade Payables*	92,737.19	88,667.64
Other Payables	3,701.92	2,990.55
<b>Total</b>	<b>96,439.11</b>	<b>91,658.19</b>

Trade payables are dues in respect of goods purchases or services received (including from employees) in the normal course of business.

#### \* Trade Payables includes due to Micro and Small Enterprises

₹ in Lakhs

	31-Mar-2012	31-Mar-2011
Due to Micro and Small Enterprises	16.39	19.20
<b>Total</b>	<b>16.39</b>	<b>19.20</b>

The Company has circulated the letters and based on confirmation from the parties necessary disclosures relating to Micro and Small Enterprises as defined under the Micro, Small and Medium Development Act, 2006 are made in the financials in accordance with the Notification No: GSR 719 (E) dated 16.11.2007 issued by the Ministry of Corporate Affairs. There is no overdue outstanding (including interest) payable to these enterprises.

## 8. Other current liabilities

₹ in Lakhs		
	31-Mar-2012	31-Mar-2011
Expenses Payable	4,028.64	4,676.98
Statutory Liabilities	5,220.37	4,939.05
Other Liabilities	1,279.59	2,210.00
Interest accrued but not due on loans	829.71	755.84
Deferred Revenue	785.89	660.14
Unclaimed Dividend*	4.57	2.80
<b>Total</b>	<b>12,148.77</b>	<b>13,244.81</b>

\* No Amount is due and outstanding to be credited to Investor Education and Protection Fund as on March 31, 2012

## 9. Short-term provisions

₹ in Lakhs		
	31-Mar-2012	31-Mar-2011
Provision for Compensated absences	55.95	42.09
Provision for Gratuity	27.78	29.77
Proposed Dividend	1,595.22	4,370.95
Dividend Tax on Proposed Dividend	258.78	709.08
<b>Total</b>	<b>1,937.73</b>	<b>5,151.89</b>

## 10. Fixed Assets

₹ in Lakhs										
Description	Gross Block			Depreciation				Net Block		
	01-April-2011	Additions	Deletions	31-Mar-2012	01-April-2011	For the Year	Deletions	31-Mar-2012	31-Mar-2012	31-Mar-2011
<b>i. Tangible Assets</b>										
Land	2,615.55	164.09	-	2,779.64	-	-	-	2,779.64	2,615.55	
Buildings	2,564.26	40.74	-	2,605.00	319.14	147.94	-	467.08	2,137.92	2,245.12
Plant and Equipment	1,114.64	163.09	42.01	1,235.72	665.48	169.35	31.58	803.25	432.47	449.16
Furniture & Fixtures	2,253.71	736.64	292.37	2,697.98	1,608.65	372.10	266.03	1,714.72	983.26	645.06
Office Equipment	452.21	85.92	35.18	502.95	316.76	56.25	33.41	339.60	163.35	135.45
Computers	1,687.60	328.00	98.29	1,917.31	1,490.21	136.68	93.66	1,533.23	384.08	197.39
Vehicles	305.92	137.09	30.04	412.97	73.16	66.81	17.34	122.63	290.34	232.76
<b>Sub total</b>	<b>10,993.89</b>	<b>1,655.57</b>	<b>497.89</b>	<b>12,151.57</b>	<b>4,473.40</b>	<b>949.13</b>	<b>442.02</b>	<b>4,980.51</b>	<b>7,171.06</b>	<b>6,520.49</b>
Previous year	9,884.50	1,201.84	92.45	10,993.89	3,264.83	1,272.68	64.11	4,473.40	6,520.49	6,619.67
<b>ii. Intangible Assets</b>										
Software	663.87	65.96	-	729.83	580.15	105.63	-	685.78	44.05	83.72
<b>Sub total</b>	<b>663.87</b>	<b>65.96</b>	<b>-</b>	<b>729.83</b>	<b>580.15</b>	<b>105.63</b>	<b>-</b>	<b>685.78</b>	<b>44.05</b>	<b>83.72</b>
Previous year	593.46	70.41	-	663.87	505.83	74.32	-	580.15	83.72	87.63
<b>Grand total</b>	<b>11,657.76</b>	<b>1,721.53</b>	<b>497.89</b>	<b>12,881.40</b>	<b>5,053.55</b>	<b>1,054.76</b>	<b>442.02</b>	<b>5,666.29</b>	<b>7,215.11</b>	<b>6,604.21</b>
Previous year	10,477.96	1,272.25	92.45	11,657.76	3,770.66	1,347.00	64.11	5,053.55	6,604.21	6,707.30

## 11. Non-current Investments

Investment in Equity Instruments - Unquoted

Investment in Subsidiaries & Associates:

Investment in Subsidiaries

₹ in Lakhs		
Name of the Corporate Body	31-Mar-2012	31-Mar-2011
1,301,294 (Previous Year 1,301,294) Equity Shares of ₹ 10/- each fully paid-up in Cadensworth (India) Limited	612.27	612.27
151,030,000 (Previous Year 151,030,000) Equity Shares of ₹ 10/- each fully paid-up in Easyaccess Financial Services Limited	22,074.74	22,074.74
10,000,000 (Previous Year 4,000,000) Equity Shares of ₹ 10/- each fully paid-up in Nook Micro Distribution Limited (6,000,000 shares acquired during the year)	1,010.32	410.32
Redington International Holdings Ltd	21,412.33	21,412.33
24,050,000 (Previous Year 50,000) Equity Shares of US\$ 1 each fully paid-up in Redington International Mauritius Limited (24,000,000 shares acquired during the year)	12,165.42	22.62
3,800,000 (Previous Year 3,800,000) Equity Shares of US\$ 1 each fully paid-up in Redington Distribution Pte Limited	1,762.81	1,762.81
50,000 (Previous Year 50,000) Equity Shares of ₹ 10/- each fully paid-up in Redington (India) Investments Limited*	NIL	5.00
<b>Total</b>	<b>59,037.89</b>	<b>46,300.09</b>

Investment in associate:

Name of the Corporate Body	31-Mar-2012	31-Mar-2011
50,000 (Previous Year 50,000) Equity Shares of ₹ 10/- each fully paid-up in Redington (India) Investments Limited*	5.00	NIL

\* Became an Associate from 8<sup>th</sup> June 2011

<b>Total Investments</b>	<b>59,042.89</b>	<b>46,300.09</b>
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## 12. Deferred Tax

Break-up of Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences:

₹ in Lakhs		
Particulars	31-Mar-2012	31-Mar-2011
<b>i. Deferred Tax Assets:</b>		
Provision for doubtful trade Receivables	364.55	218.08
Gratuity	160.69	130.15
Leave encashment	81.81	63.79
<b>Total</b>	<b>607.05</b>	<b>412.02</b>
<b>ii. Deferred Tax Liability:</b>		
Depreciation	100.20	7.17
<b>Total</b>	<b>100.20</b>	<b>7.17</b>
<b>Deferred Tax Asset (Net)</b>	<b>506.85</b>	<b>404.85</b>

### 13. Long Term loans and advances

	₹ in Lakhs	
	31-Mar-2012	31-Mar-2011
<b>Unsecured &amp; Considered Good</b>		
Capital Advances	97.43	19.53
Advance Taxes (Net of Provisions)	2,381.09	1,659.94
Deposits	410.72	374.30
Receivable from Customs Department	850.03	1,125.09
<b>Total</b>	<b>3,739.27</b>	<b>3,178.86</b>

### 14. Inventories

	₹ in Lakhs	
	31-Mar-2012	31-Mar-2011
Trading Stocks	72,040.88	57,451.91
Goods in Transit	9,201.67	13,848.68
Service Spares	456.83	442.48
<b>Total</b>	<b>81,699.38</b>	<b>71,743.07</b>

### 15. Trade Receivables – Unsecured

	₹ in Lakhs	
	31-Mar-2012	31-Mar-2011
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	8,372.29	5,453.53
Considered Doubtful	1,123.58	672.14
	9,495.87	6,125.67
Other trade receivables – Considered Good	75,045.17	79,973.27
	84,541.04	86,098.94
Less :- Provision for doubtful trade receivables	1,123.58	672.14
<b>Total</b>	<b>83,417.46</b>	<b>85,426.80</b>

### 16. Cash and Cash Equivalents

	₹ in Lakhs	
	31-Mar-2012	31-Mar-2011
Cash on hand	18.17	21.37
Balances with Banks		
On Current Account	5,897.92	14,749.81
On Deposit Account	260.00	235.00
Earmarked Balances – Unclaimed Dividend account	4.57	2.80
Margin Money with Banks	1.17	10.69
<b>Total</b>	<b>6,181.83</b>	<b>15,019.67</b>

### 17. Short term loans & advances

	₹ in Lakhs	
	31-Mar-2012	31-Mar-2011
<b>Unsecured &amp; Considered Good</b>		
<b>Loans and Advances to related parties</b>		
Easyaccess Financial Services Limited	7.33	-
Nook Micro Distribution Limited	18.10	240.00
Cadensworth India Limited	0.92	-
Redington International Mauritius Limited	12,119.06	-
<b>Others</b>		
Receivables from Customs authorities	4,654.69	4,928.21
Service tax receivable	2,422.31	1,331.28
Others Advances	373.45	1,126.50
Prepaid expenses	626.82	653.73
Deposits	1,264.75	1,392.61
<b>Total</b>	<b>21,487.43</b>	<b>9,672.33</b>

### 18. Revenue from Operations

	₹ in Lakhs	
	31-Mar-2012	31-Mar-2011
Sales	943,696.62	780,739.27
Service Income	13,065.99	9,774.58
Rebates	27,258.64	22,665.89
Other operating revenues	19.27	15.20
<b>Total</b>	<b>984,040.52</b>	<b>813,194.94</b>

### 19. Other Income

	₹ in Lakhs	
	31-Mar-2012	31-Mar-2011
Dividend from subsidiaries	568.85	442.21
Interest on loan	979.69	185.37
Interest from dealers	1,017.41	439.91
Interest on Bank deposits	91.69	12.78
Dividend from Short term Investments	68.30	-
Profit/(Loss) on Sale of Fixed Assets	8.03	18.85
Bad Debts Written off in earlier years recovered	45.66	24.06
Exchange gain/(loss) Net	246.23	101.35
Others	81.65	64.77
<b>Total</b>	<b>3,107.51</b>	<b>1,289.30</b>

## 20. Employee Benefits

	₹ in Lakhs	
	31-Mar-2012	31-Mar-2011
Salaries & Bonus	8,608.56	7,451.20
Contribution to Provident Fund & Other Funds	419.33	351.06
Welfare Expenses (including compensated absences)	596.71	379.16
Gratuity	128.67	128.95
<b>Total</b>	<b>9,753.27</b>	<b>8,310.37</b>

## 21. Finance Costs

	₹ in Lakhs	
	31-Mar-2012	31-Mar-2011
Interest on loan	6,586.54	3,792.16
Other Borrowing Costs	1,153.89	513.12
<b>Total</b>	<b>7,740.43</b>	<b>4,305.28</b>

## 22. Other Expenses

	₹ in Lakhs	
	31-Mar-2012	31-Mar -2011
Rent	2,440.77	1,960.62
Freight	2,252.17	1,696.67
Commercial Taxes	3,062.55	1,584.52
Repairs & Maintenance	741.95	584.25
Utilities	369.80	323.58
Insurance	398.89	306.86
Rates and Taxes	44.03	40.28
Communication	678.83	629.75
Travel	790.21	532.60
Conveyance	336.45	255.02
Bad Debts	588.33	729.37
Less :-Written off against provision	561.93	26.40
Provision for doubtful receivables	1,013.37	412.52
Auditor's Remuneration (Refer details below)	50.69	45.91
Factoring Expenses	2,224.72	2,328.63
Trade Mark License Fees	107.53	181.52
Director's remuneration	55.80	56.30
Outsourced Resource Cost	526.97	407.96
Bank charges	369.94	388.64
Miscellaneous Expenses	1,689.80	1,073.26
<b>Total</b>	<b>17,180.87</b>	<b>13,199.36</b>

## Auditor's Remuneration

	₹ in Lakhs	
Particulars	31-Mar-2012	31-Mar-2011
Audit Fees	21.00	17.50
Taxation Matters	1.50	1.00
Certification	22.60	22.42
Reimbursement of Expenses including taxes	5.59	4.99
<b>Total</b>	<b>50.69</b>	<b>45.91</b>

## 23. Earnings per Share

The calculation of the Basic and Diluted Earning per share is based on the following data:-

Description	31-Mar-2012	31-Mar-2011
Profit after Tax (₹ in Lakhs)	15,681.21	12,844.04
Weighted Average Number of equity shares (Basic)	398,024,290	395,348,997
Earning per share- Basic ₹	3.94	3.25
Weighted Average Number of equity shares on account of Employee Stock Option Plan 2008 (Diluted)	399,072,457	397,931,703
Earning per share- Diluted ₹	3.93	3.23
Face Value per share in ₹	2/-	2/-

## 24. Contingent Liabilities & Commitments

Particulars	₹ in Lakhs	
	31-Mar-2012	31-Mar-2011
i. Corporate Guarantees outstanding		
On behalf of subsidiaries	59,269.38	39,484.08
Others	NIL	321.68
ii. Bills Discounted	3,665.34	7,347.12
iii. Factoring	7,272.50	5,750.00
iv. Claims against the Company not acknowledged as debts	185.83	563.63
v. The Company has in addition to the above issued letters of comfort /awareness to banks for the facilities granted to its subsidiaries.		
vi. Disputed Income Tax/Sales Tax/Customs Duty demands		

	₹ in Lakhs	
Nature of Dues	31-Mar-2012	31-Mar-2011
Customs duty	169.64	315.79
Income Tax	795.39	520.56
Sales Tax	1,204.25	1,229.18

The Company has paid ₹ 495.73 lakhs under protest (Previous Year ₹ 631.23 Lakhs), which is included under Long-term loans and advances.

### vii. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 2,575.90 Lakhs (Previous Year ₹ 406.34 Lakhs).

## 25. Operating Leases

The Company has taken cancelable operating lease for its office premises, which are for a period ranging from 11 months to 9 years.

## 26. Segment Reporting

The Company primarily operates in distribution business and after sales services of IT and other products and as the revenue from service segment is less than 10% of the total revenue, there are no reportable segments as required to be disclosed under the Accounting Standard 17 "Segment Reporting". Although the Company's operations cover various States in India, the State laws have no significant impact on profitability. Accordingly there are no geographical segments to be reported.

## 27. Accounting for Financial Instruments

Pursuant to the announcement of the Institute of Chartered Accountants of India (ICAI) in respect of "Accounting for Derivatives", the Company had opted to follow the recognition and measurement principles relating to derivatives as specified in AS 30 "Financial Instruments, Recognition and Measurement", issued by the ICAI, and from the year ended 31 March 2008.

Consequently, as of 31 March 2012, the Company has recognised Mark to Market (MTM) Gain of ₹ 17.52 lakhs. (Previous Year loss of ₹ 2.09 lakhs) relating to forward contracts and other derivatives entered into to hedge the foreign currency risk of highly probable forecast transactions that are designated as effective cash flow hedges, in the Hedge Reserve Account as part of the Shareholders Funds.

The MTM net loss on undesignated / ineffective forward contracts amounting to ₹ Nil (Previous Year ₹ 111.55 lakhs) has been recognised in the Statement of Profit and Loss.

The Contracts in Hedge Reserve Account are expected to be recognised in the Statement of Profit and Loss on occurrence of transactions which are expected to take place over the next 12 months.

Details of Derivative Exposures are as under:

Type of Derivative	Contacts Booked for	31-Mar-2012			31-Mar-2011		
		No of Contracts	\$ in Lakhs	₹ in Lakhs	No of Contracts	\$ in Lakhs	₹ in Lakhs
Forward Contracts entered into to hedge the foreign currency risk of highly probable forecast transactions	Imports	188	67.00	3429.39	98	200.15	9096.29

## 28. Events occurring after the balance sheet date

- Equity shares of ₹ 2/- each fully paid up were issued and allotted pursuant to the exercise of stock options under Employee Stock Option Plan 2008.

Date of allotment	No of Shares
20 <sup>th</sup> April 2012	2,26,000

## 29. Related party disclosures

### 1) Key Management Personnel

Mr. R.Srinivasan, Managing Director  
 Mr. Raj Shankar, Deputy Managing Director  
 Mr. M.Raghunandan, Wholetime Director  
 Refer below Note 30 for remuneration

## 2) Names of the related parties

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

Subsidiary Companies	Nook Micro Distribution 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 Arabia 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 Redington Gulf FZE Co, Iraq Cadensworth United Arab Emirates LLC, Dubai Redington Morocco Limited, Morocco. Redington Tanzania Ltd., Tanzania Redington SL Pvt Limited, Sri lanka Redington Angola ADA, Angola Redington Turkey Holdings S.A.R.L Arena Bilgisayar Sanayi Ve Ticaret Anonim Sirketi, Turkey# Arena International FZE, Dubai Redington IT Services (PTY) Limited, South Africa
Associates	Redington (India) Investments Limited, India* Currents Technology Retail (India) Limited, India*

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

# As Redington Turkey Holdings S.A.R.L. has effective control over the composition of Board of directors Arena is considered as subsidiary.

Related Parties have been identified by the management.

### 3) Nature of Transactions

₹ in Lakhs

Nature of Transactions	31-Mar-2012	31-Mar-2011
	Party Where Control Exists	Party Where Control Exists
<b>Redington Employees Share Purchase Trust</b>		
Loan Granted	NIL	4.50
Loan re-paid	4.50	NIL
Dividend Paid	0.54	0.10
Loan Outstanding	NIL	4.50

₹ in Lakhs

Nature of Transactions	31-Mar-2012	31-Mar-2011
	Parties having Significant Influence	Parties having Significant Influence
<b>Redington (Mauritius) Limited</b>		
Dividend Paid	924.30	1145.08
<b>Synnex Mauritius Limited</b>		
Dividend Paid	1,037.26	1101.91

₹ in Lakhs

Nature of Transactions	31-Mar-2012	31-Mar-2011
	Subsidiary Companies	Subsidiary Companies
<b>Cadensworth (India) Limited</b>		
Sales/Service Charges – Expense	3.21	11.83
Sales/Service Charges – Income	6.76	4.61
Amount Payable at year end	0.07	0.56
Amount Receivable at year end	2.09	NIL
<b>Cadensworth FZE</b>		
Corporate Guarantees at year end	NIL	4,459.50
<b>Easyaccess Financial Services Ltd</b>		
Sales/Service Charges – Income	59.04	50.04
Sale of fixed assets – Income	32.50	NIL
Receivables Factored	196,126.40	297,055.87
Factoring Expenses	2,105.27	2175.58
Interest Income	750.02	179.93
Dividend received – Income	377.58	302.06
Rent received	0.12	0.12
Rent Paid	27.65	NIL
Amount Receivable at year end	7.33	NIL
Loan Granted	40,750.00	22,000.00
Loan Repaid	40,750.00	22,000.00

<b>Nook Micro Distribution Limited</b>		
Rent Paid	8.40	7.13
Rent received	12.69	2.88
Interest Income	25.69	5.44
Rebates – Expenses	NIL	10.19
Loan Granted	250.00	330.50
Loan Repaid	490.00	90.50
Equity Contribution	600.00	395.00
Sales/Service Charges- Income	1,481.61	339.89
Purchases	0.08	1.00
Amount Receivable at year end (Net)	150.73	63.34
Loan outstanding at the year end	NIL	240.00
<b>Redington Distribution Pte Limited</b>		
Trading Purchases	4,526.45	1,224.44
Sales/Service Charges	674.52	248.46
Dividend received – Income	191.27	140.15
Trade Mark License Fees	97.85	181.52
Amount Receivable at year end	246.47	191.69
Amount Payable at year end	136.13	173.39
Corporate Guarantees at year end	13,481.88	10,836.59
<b>Redington International (Mauritius) Limited</b>		
Equity Contribution	12,142.80	NIL
Interest Income	203.98	NIL
Loan Granted	27,007.42	NIL
Loan repaid	14,998.35	NIL
Amount Receivable at year end	109.99	NIL
Loan outstanding at the year end	12,009.07	NIL
Corporate Guarantees at year end	45,787.50	NIL
<b>Redington Gulf FZE</b>		
Corporate Guarantees at year end	NIL	24,187.99

Nature of Transactions	31-Mar-2012	31-Mar-2011
	Associate Companies	Associate Companies
<b>Redington (India) Investments Limited</b>		
Sales/Service Charges – Income	0.10	NIL
Amount Receivable at year end (Net)	0.10	NIL
<b>Currents Technology Retail (India) Limited</b>		
Sales/Service Charges – Income	515.58	NIL
Amount Receivable at year end	308.63	NIL

### 30. Managerial remuneration;

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
<b>(a) Computation of net profit under section 349 of the Companies Act, 1956</b>		
Profit before Taxation	23,329.21	19,339.64
Add:		
Whole Time Director Remuneration	40.00	39.41
Directors' Sitting Fees	5.80	6.30
Directors' Commission	50.00	50.00
Provision for Doubtful Receivable	1,013.37	486.14
	24,438.38	19,921.49
Less :Profit on Disposal of Fixed Assets (Net)	8.03	18.85
Receivable written off against previous year's provision and not debited to Statement of Profit & Loss	588.33	412.52
	<b>23,842.02</b>	<b>19,490.12</b>
Commission @ 1% there on	<b>238.42</b>	<b>194.90</b>
Restricted to	<b>50.00</b>	<b>50.00</b>
<b>(b) Remuneration to Whole time Director</b>		
1) Salaries, Allowances & Bonus	36.76	36.30
2) Contribution to Provident Fund*	1.44	1.44
3) Perquisites	1.80	1.67
<b>Total</b>	<b>40.00</b>	<b>39.41</b>
<b>(c) Remuneration to Non-Whole time Directors</b>		
Sitting Fees	5.80	6.30
Commission#	50.00	50.00
<b>Total</b>	<b>55.80</b>	<b>56.30</b>

\* Excludes contribution to gratuity & compensated absences since employee wise valuation is not available

# For FY 2011-12 requires approval of the Shareholders at the ensuing Annual General Meeting

### (d) Remuneration drawn by the Managing Director and Deputy Managing Director from wholly owned overseas subsidiary

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Salary, Allowances and Bonus	573.34	551.74
Contribution to provident fund	5.18	4.52
<b>Total</b>	<b>578.52</b>	<b>556.26</b>

### 31. CIF Value of Imports

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Trading Stocks	355,490.37	292,209.63

### 32. Expenditure in Foreign Currency

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Royalty (Cost of Software)	1,549.34	1,534.88
Trade Mark License Fees	97.85	181.52
Travel	13.02	13.96
License fee	1.86	11.44
Consultancy charges	NIL	2.58

### 33. Earnings in Foreign Currency

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Supplier rebates and discounts	15,932.98	11,986.15
Dividend Income	191.27	140.15
FOB Value of Exports	674.52	248.46

### 34. Dividend remitted in Foreign Currency

Particulars	2011-12	2010-11
No. of non-resident shareholders	10	6
No. of Equity shares held (Face value of ₹ 2)	179,610,582	225,747,755
Amount remitted (₹ in Lakhs)	1,975.72	2,257.48
Financial Year to which it relates	2010-11	2009-10

### 35. 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	Grant V
Date of Grant	29-Feb-08	25-Jul-08	28-Jan-09	22-May-09	5-Dec-11
Exercise Price(₹)*	348.05	319.90	130.00	165.00	396.50
Vesting commences on	28-Feb-09	24-Jul-09	27-Jan-10	21-May-10	4-Dec-12
Options granted	2,335,973	11,000	276,143	25,000	173,212
Options lapsed	488,889	-	-	-	10,550
Options vested	1,847,084	11,000	276,143	18,750	-
Options exercised at the beginning of the year	1,226,407	4,250	157,108	12,500	-
Options exercised during the year	372,343	2,000	69,035	6,250	-
Total options outstanding and not exercised as on 31 <sup>st</sup> March 2012	248,334	4,750	50,000	6,250	162,662

\* Out of the total grant of options in 2008, 19,59,830 options were repriced at ₹ 130/- on 28<sup>th</sup> January 2009 and 75,000 options were repriced at ₹ 165/- on 22<sup>nd</sup> May 2009

Out of the lapsed options the Board/Committee of directors at their meetings had approved reissue of options as follows –

Date of Grant	July 25, 2008	January 28, 2009	May 22, 2009	December 5, 2011
No. of options	11,000	276,143	25,000	173,212

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	5-Dec-11
Fair Value	171.33	25.56	33.04	159.71	23.77	47.46	79.82	171.72

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

#### A. Stock price

The closing market price on the date prior to the date of grant on National Stock Exchange (NSE) has been considered for the purpose of option valuation.

#### 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. However, Guidance note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India recommends including the historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued.

The entity's stocks have been publicly traded on NSE and BSE. For calculating Volatility, we have considered the daily volatility of the stock prices on NSE, over a period prior to the date of grant, corresponding with the expected life of the options.

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

Options have been granted primarily at a price of ₹ 348.05 on 29th February 2008. Subsequently, 19,59,830 and 75,000 options were re-priced at a Market price of ₹ 130/- and ₹ 165/- on 28th January 2009 and 22nd May 2009 respectively. On December 5, 2011 1,73,212 options were granted at a price of ₹ 396.50 per option.

#### 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 –

- The expected life must at least include the vesting period.
- 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.
- 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 it would be if the award were viewed as several separate awards, each with a different vesting date. A weighted average of all vests has been calculated to arrive at the value of the options.

The time to maturity has been estimated as illustrated by the following example. In case of the grant made on December 5, 2011, the earliest date of exercise is December 5, 2012 i.e. one year from the date of grant. The exercise period is five years from the date of vest.

Hence, the time to maturity for the first vest is equal to the average of the minimum period plus the maximum period i.e. 1 year + 6 Years = 3.5 years. Time to Maturity has been estimated on a similar basis for the remaining vests.

**Expected Dividend yield:** Expected dividend yield has been calculated as an average of dividend yields for the preceding 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:

	₹ in Lakhs	
Particulars	2011-12	2010-11
Profit after tax as per statement of Profit and Loss (a)	15,681.21	12,844.04
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	NIL	NIL
Less: Employee Stock Compensation Expense as per Fair Value Method	37.69	225.76
Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	15,643.52	12,618.28
Earnings per share based on earnings as per (a) above		
– Basic	3.94	3.25
– Diluted	3.93	3.23
Earnings per share had fair value method been employed for accounting of employee stock options as per (b) above		
– Basic	3.93	3.19
– Diluted	3.92	3.17

For and on behalf of the Board of Directors

**R Srinivasan**  
Managing Director

**Raj Shankar**  
Deputy Managing Director

**M Raghunandan**  
Whole Time Director

**S V Krishnan**  
Chief Financial Officer

**M Muthukumarasamy**  
Company Secretary

Place : Chennai  
Date : May 25, 2012



## AUDITORS' 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 and its associate (the Company and its subsidiaries and its associate constitute "the Group") as at 31st March 2012, the consolidated Statement of Profit and Loss 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 auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets of Rs.2,93,835.63 Lakhs as at 31st March 2012, total revenues of Rs.11,33,045.25 Lakhs, and net cash inflows amounting to Rs.13,046.50 Lakhs for the year ended on that date and the financial statements of an associate whose financial statements reflect the Group's share of loss of Rs.1.88 Lakhs for the year ended upto 31st March 2012, 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 associate is based solely on the reports of the other auditors.
4. We report that the consolidated financial statements have been prepared by Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for Investments in Associates as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries and associate 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:
  - a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
  - b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
  - c) In the case of the Consolidated Cash flow Statement, of the cash flows of the Group for the year ended on that date.

## consolidated financial statements

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

**B Ramaratnam**  
Partner  
(Membership No.21209)

Chennai, May 25, 2012

**Consolidated Balance Sheet as at March 31, 2012**

(₹ in Lakhs)

Particulars	Note No	As at 31.03.2012	As at 31.03.2011
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
Share capital	3	7,971.56	7,926.60
Reserves and surplus	4	124,276.77	117,605.77
		132,248.33	125,532.37
<b>2 Minority Interest</b>			
		9,487.61	34,126.42
<b>3 Non-current liabilities</b>			
Long-term borrowings	5	51,207.50	-
Deferred tax liabilities (Net)	14	0.50	-
Other Long-term liabilities	6	794.94	686.08
Long-term provisions	7	2,347.88	1,623.27
		54,350.82	2,309.35
<b>4 Current liabilities</b>			
Short-term borrowings	8	154,817.59	158,968.87
Trade payables	9	160,720.52	148,419.63
Other Current liabilities	10	36,351.59	31,310.98
Short-term provisions	11	3,129.08	6,210.23
		355,018.78	344,909.71
<b>TOTAL</b>		<b>551,105.54</b>	<b>506,877.85</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
Fixed assets	12		
(i) Tangible assets		15,924.83	13,647.62
(ii) Intangible assets		1,033.70	953.96
(iii) Capital work-in-progress		868.51	140.15
(iv) Goodwill on consolidation		6,573.00	6,573.00
Non-current investments	13	3.12	-
Deferred tax assets (net)	14	808.07	633.21
Long-term loans and advances	15	4,413.17	3,584.42
Long-term receivables under financing activity	16	2,635.83	1,511.74
		32,260.23	27,044.10
<b>2 Current assets</b>			
Inventories	17	169,999.63	158,327.50
Trade receivables	18	221,901.87	187,029.23
Cash and cash equivalents	19	48,343.79	48,060.24
Short-term loans and advances	20	23,940.26	20,124.46
Short-term receivable under financing activity	21	54,659.76	66,292.32
		518,845.31	479,833.75
<b>TOTAL</b>		<b>551,105.54</b>	<b>506,877.85</b>

See accompanying notes forming part of financial statements

In terms of our report attached

 For Deloitte Haskins & Sells  
Chartered Accountants

For and on behalf of the Board of Directors

 B Ramaratnam  
Partner

 R Srinivasan  
Managing Director

 Raj Shankar  
Dy. Managing Director

 M Raghunandan  
Whole-time Director

 Place : Chennai  
Date : May 25, 2012

 S V Krishnan  
Chief Financial Officer

 M Muthukumarasamy  
Company Secretary

**Consolidated statement of Profit and Loss for the year ended March 31, 2012**

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
<b>Income:</b>			
Revenue from operations	22	2,119,298.73	1,670,377.12
Other income	23	2,903.41	1,887.90
<b>Total Revenue</b>		<b>2,122,202.14</b>	<b>1,672,265.02</b>
<b>Expenses:</b>			
Purchases of trading stock		2,005,375.92	1,622,965.27
Changes in inventories of trading stock		(11,901.36)	(46,353.52)
Employee benefits	24	28,037.25	20,656.75
Finance costs	25	15,204.27	9,608.67
Depreciation & Amortisation	12	3,103.07	2,455.81
Other expenses	26	37,350.18	27,831.62
<b>Total expenses</b>		<b>2,077,169.33</b>	<b>1,637,164.60</b>
<b>Profit before tax</b>		<b>45,032.81</b>	<b>35,100.42</b>
<b>Tax expense:</b>			
Current tax		11,313.27	8,928.98
Deferred tax		(184.32)	(305.84)
<b>Profit after Tax</b>		<b>33,903.86</b>	<b>26,477.28</b>
Share of Loss of Associate		1.88	-
Minority interest		4,627.90	3,877.33
<b>Profit for the Year</b>		<b>29,274.08</b>	<b>22,599.95</b>
Earnings per equity share: (Face value ₹ 2 each)	27		
Basic (in ₹)		7.35	5.72
Diluted (in ₹)		7.34	5.68

See accompanying notes forming part of financial statements

In terms of our report attached

 For Deloitte Haskins & Sells  
Chartered Accountants

For and on behalf of the Board of Directors

 B Ramaratnam  
Partner

 R Srinivasan  
Managing Director

 Raj Shankar  
Dy. Managing Director

 M Raghunandan  
Whole-time Director

 Place : Chennai  
Date : May 25, 2012

 S V Krishnan  
Chief Financial Officer

 M Muthukumarasamy  
Company Secretary

**Consolidated Cash Flow Statement for the year ended March 31, 2012**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011	
<b>A. Cash flow from operating activities:</b>			
Net Profit before taxation	45,032.81	35,100.42	
Adjustments for:			
– Depreciation and Amortisation	3,103.07	2,455.81	
– Finance costs	15,204.27	9,608.67	
– Interest Income	(1,576.19)	(1,526.37)	
– Provision for doubtful receivables	2,244.97	2,085.43	
– Bad debts written off	32.86	319.94	
– Dividend income from short term investments	(68.30)	-	
– Provision for compensated absences	104.09	(9.46)	
– Provision for gratuity	752.57	551.25	
– Rent equalisation reserve	12.56	-	
– Provision for standard assets	185.00	195.00	
– Unrealised foreign exchange (net)	849.86	67.11	
– Loss / (Profit) on sale of fixed assets	18.75	(55.61)	
<b>Operating Profit before working capital changes</b>	<b>65,896.32</b>	<b>48,792.19</b>	
Increase in Trade receivables	(37,150.47)	(37,070.35)	
Decrease / (Increase) in Loans & advances and Other current assets	5,968.78	(8,030.21)	
Increase in Inventories	(11,672.13)	(38,151.44)	
Increase in Trade Payables, Other Current Liabilities & Provisions	16,889.40	38,121.49	
<b>Cash generated from operations</b>	<b>39,931.90</b>	<b>3,661.68</b>	
Interest Paid by Financial Services Subsidiary	(1,575.24)	(1,476.59)	
Direct taxes paid	(12,514.64)	(9,272.44)	
<b>Net Cash generated from / (used in) operating activities</b>	<b>25,842.02</b>	<b>(7,087.35)</b>	
<b>B. Cash flow from investing activities:</b>			
Purchase of fixed assets	(5,212.11)	(5,644.00)	
Proceeds from sale of fixed assets	123.12	86.47	
Interest received	1,296.48	1,494.43	
Dividend income from short-term investments	68.30	-	
Deposits placed	(20,922.86)	(1,398.27)	
Deposits settled	1,397.17	-	
Consideration paid for acquisition of Minority interest in a step-down subsidiary by a subsidiary	(59,552.91)	-	
Investment in overseas step down subsidiaries	-	(18,163.46)	
<b>Net Cash used in investing activities</b>	<b>(82,802.81)</b>	<b>(23,624.83)</b>	
<b>C. Cash flow from financing activities:</b>			
Proceeds from exercise of Employee Stock Option	591.07	825.62	
Proceeds from issue of share capital by an overseas step-down subsidiary	83.42	-	
Proceeds from long-term borrowings	51,207.50	-	
(Repayment of) / Proceeds from short-term borrowings	(4,151.28)	31,548.80	
Dividend paid by step down subsidiary to minority shareholders	(1,571.79)	(506.78)	
Dividends Paid (including dividend tax)	(5,025.20)	(4,560.33)	
Finance costs paid	(12,961.55)	(7,508.02)	
<b>Net Cash generated from financing activities</b>	<b>28,172.17</b>	<b>19,799.29</b>	
<b>Net decrease in Cash and Cash Equivalents</b>	<b>(28,788.62)</b>	<b>(10,912.89)</b>	
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>46,661.97</b>	<b>58,260.21</b>	
Add / (Less): Translation adjustment on Opening Cash and Cash Equivalents of foreign subsidiaries	4,628.46	(376.46)	
Add / (Less): Translation adjustment of reserves of foreign subsidiaries	4,926.59	(308.89)	
Less: Opening Cash and Cash Equivalents relating to erstwhile subsidiary	(8.57)	-	
<b>Cash and Cash Equivalents at the end of the year</b>	<b>27,419.83</b>	<b>46,661.97</b>	
<b>Reconciliation of Cash and Cash Equivalents</b>			
<b>Cash and Cash Equivalents at the end of the year (as per Balance Sheet)</b>	<b>48,343.79</b>	<b>48,060.24</b>	
Less: Bank deposit under lien	1.10	1.10	
Less: Bank deposits held for more than three months	20,922.86	1,397.17	
<b>Cash and Cash Equivalents at the end of the year</b>	<b>27,419.83</b>	<b>46,661.97</b>	
See accompanying notes forming part of financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

 For Deloitte Haskins & Sells  
Chartered Accountants

 B Ramaratnam  
Partner

 R Srinivasan  
Managing Director

 Raj Shankar  
Dy. Managing Director

 M Raghunandan  
Whole-time Director

 Place : Chennai  
Date : May 25, 2012

 S V Krishnan  
Chief Financial Officer

 M Muthukumarasamy  
Company Secretary

**Notes to financial statements for the year ended March 31, 2012**
**1. Company Overview**

Redington (India) Limited, is a public limited company incorporated under the provisions of the Companies Act, 1956. The company's stocks are listed at Bombay stock exchange and National stock exchange of India. The company is in the distribution business and after sales service of IT and other products. The company and its subsidiaries operate in India, South Asia, Middle East Africa and Turkey. The Company, through its wholly owned subsidiary Easyaccess Financial Services Limited, also operates in financial services segment.

**2. Basis of Consolidation**

The consolidated financial statements encompasses financials of Redington (India) Limited and its subsidiaries (Collectively called "the Group"), for the year ended March 31, 2012. These consolidated financial statements have been prepared in accordance with **Indian Accounting Standard 21, "Consolidated Financial Statements"** and **Indian Accounting Standard 23 "Accounting for investments in Associates in Consolidated financial statements"**, which are not materially different from International Financial Reporting Standards or Singapore Financial Reporting Standards. Necessary adjustments have been made in the consolidated financial statement to bring them in line with Indian GAAP. Subsidiary companies included in the consolidated financial statement are:

**A. Direct Subsidiaries**

Name of the Company	Country of incorporation	Ownership Interest %
Nook Micro Distribution Limited	India	100
Redington International Mauritius Limited (RIML)	Mauritius	100
Redington Distribution Pte. Limited	Singapore	100
Cadensworth (India) Limited	India	100
Easyaccess Financial Services Limited	India	100
Redington (India) Investments Limited (Associate w.e.f June 8, 2011)	India	47.62

**B. Subsidiary of Redington International Mauritius Limited**

Name of the Company	Country of incorporation	Ownership Interest %	Beneficial Interest %
Redington International Holdings Limited	Cayman Islands	100	100

**C. Subsidiaries of Redington International Holdings Limited**

Name of the Company	Country of incorporation	Ownership Interest %	Beneficial Interest %
Redington Gulf FZE	Dubai, UAE	100	100
Redington Turkey Holdings S.A.R.L.	Luxembourg	100	100

## D. Subsidiaries of Redington Gulf FZE

Name of the Company	Country of incorporation	Ownership Interest %	Beneficial Interest %
Redington Egypt Ltd	Egypt	100	100
Redington Nigeria Ltd	Nigeria	100	100
Redington Gulf & Co. LLC	Oman	70	100
Redington Kenya Ltd	Kenya	100	100
Cadensworth FZE	Dubai, UAE	100	100
Redington Middle East LLC ^	Dubai	49	100
Redington Arabia Limited	Saudi Arabia	100	100
Redington Africa Distribution FZE	Dubai, UAE	100	100
Redington Qatar WLL ^	Qatar	49	100
Redington Bahrain SPC	Bahrain	100	100
Redington Qatar distribution WLL ^	Qatar	49	100
Redington Limited	Ghana	100	100
Redington Kenya EPZ Ltd	Kenya	100	100
Africa Joint technical Services	Libya	65	100
Redington Uganda Ltd	Uganda	100	100
RGF Private Trust Company Limited**	Cayman Islands	100	100
Cadensworth UAE LLC ^	Dubai	49	100
Redington Tanzania Limited	Tanzania	100	100
Redington Morocco Limited	Morocco	100	100
Redington Angola ADA**	Angola	100	100
Redington IT services (PTY LTD)	Johannesburg	100	100
Redington Gulf FZE**	Iraq	100	100

^ Although the percentage of holding is less than 50, the Company has the power to govern the strategic operating and financial policies and exercise control. Consequently, the above-mentioned entities are consolidated with the Group's financial statements.

\*\* Yet to commence operations.

## E. Subsidiary of Redington Turkey Holdings S.A.R.L

Name of the Company	Country of incorporation	Ownership Interest %	Beneficial Interest %
Arena Bilgisayar Sanayi Ve Ticaret Anonim Şirketi #	Turkey	49.40	49.40

# As Redington Turkey Holdings S.A.R.L, Luxembourg has effective control over the composition of Arena Bilgisayar's Board of Directors, Arena Bilgisayar is considered as a subsidiary for the purpose of preparation of consolidated financial statements.

## F. Subsidiary of Arena Bilgisayar Sanayi Ve Ticaret Anonim Sirketi

Name of the Company	Country of incorporation	Ownership Interest %	Beneficial Interest %
Arena International FZE	Jebel Ali, Dubai, UAE	100	100

Subsequent to the Balance Sheet date, following overseas step-down subsidiaries have been incorporated with a beneficial interest of 100%:

- i) Sensonet Teknoloji Elelektronik Ve Bilisim Hizmetleri Sanayi Ve Ticaret Limited Sirketi, Turkey
- ii) Redington Rwanda Limited, Rwanda
- iii) Redington Kazakhstan LLP, Kazakhstan Republic

## G. Subsidiaries of Redington Distribution Pte. Ltd.

Name of the Company	Country of incorporation	Ownership Interest %	Beneficial Interest %
Redington Bangladesh Limited	Bangladesh	99	100
Redington SL (Private) Ltd	Sri Lanka	100	100

## H. Associate of the company

Name of the Company	Country of incorporation	Ownership Interest %	Beneficial Interest %
Redington (India) Investments Limited	India	47.62	47.62

Formerly a subsidiary of the holding company, became an associate w.e.f June 8, 2011

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 and Nook Micro Distribution 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, Singapore.

Necessary adjustments have been made in the consolidated financial statements to conform to Indian GAAP wherever there are significant differences between Indian GAAP / Singapore Financial Reporting Standards / International Financial Reporting Standards.

The audited financial statements of the holding 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 information of the Company and its subsidiaries have been combined on a line-by-line basis of assets, liabilities, income and expenses. Inter Company balances and transactions and unrealized profits or losses have been eliminated.
- b) Capital reserve arising on consolidation represents excess of net worth over the carrying cost of acquisition of the respective subsidiaries.
- c) Goodwill arising on consolidation represents: (a) excess of carrying cost of acquisition of subsidiaries after adjusting the capital reserve to the extent available (b) excess of carrying cost of acquisition of subsidiaries over the net worth of the respective subsidiaries.
- d) The notes to the consolidated financial statements are prepared in accordance with the requirements of Indian GAAP.

## 2.1. Summary of Significant Accounting Policies

### a. Basis of preparation of Consolidated Financial Statements

The Revised Schedule VI notified under Companies Act, 1956 has become applicable to the company for the year ended March 31, 2012 in the preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements, however, it impacts presentation and disclosure made in the financial statements. The previous year figures have been reclassified to make them comparable with those of current year.

### b. Use of Estimates

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosures relating to contingent assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates and differences between the actual results and estimates are recognised in the year in which the results are known or materialized.

### c. Fixed assets

#### Tangible assets

Tangible Assets are recorded at cost less accumulated depreciation. Cost comprises of purchase price and other directly attributable cost of bringing the assets to its working condition for the intended use.

Gains or losses arising from de-recognition of tangible fixed assets are measured as the difference between the net proceeds from disposal and carrying amount of the asset and are recognised in the statement of profit and loss.

#### Depreciation on Tangible assets:

1. Depreciation on tangible assets is calculated on a straight-line basis over the estimated useful lives, as determined by the Management at the following rates:

Class of Asset	Rates %
Buildings	5
Plant & Equipment	20
Furniture & Fixtures	10 – 25
Office Equipments	12.5 - 20
Computers	20 - 33.33
Vehicles	20 – 33.33

2. Depreciation on additions to fixed assets is provided from the month of addition.
3. Individual fixed asset whose cost does not exceed ₹ 5,000/- are fully depreciated in the year of acquisition.
4. Expenditure on Interiors on premises taken on lease (included in furniture & fittings) are capitalized and depreciated over a period of five years.

#### Intangible assets:

Intangible assets are recorded at cost less amortization.

Intangible assets are amortized over the estimated useful economic life.

Class of Asset	Rates %
• Software	33.33
• Non-compete fees	20-25

### d. Impairment of tangible and intangible assets

The group determines periodically whether there is any indication of impairment of the carrying amount of its assets. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. The recoverable amounts of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

### e. Leases

Leases are classified as finance or operating leases depending upon the terms of the lease agreements.

### f. Inventories

Inventories are stated at lower of cost and net realizable value. Costs include cost of purchase and other costs incurred in bringing the inventories to the warehouse, net of discounts and rebates and are determined on weighted average basis. With respect to step down subsidiaries of Redington International Mauritius Limited, cost is determined on FIFO method, the impact of which is not material.

### g. Foreign Currency Transactions

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

All monetary assets and liabilities in foreign currency are restated at the end of the accounting period at the prevailing exchange rates as on the Balance Sheet date and exchange gain/loss is suitably dealt with in the statement of Profit and Loss.

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the period.

The assets and liabilities of foreign subsidiaries whose operations are of non-integral nature are translated at the closing exchange rates, the items of income and expense of foreign subsidiaries are translated at average exchange rate and resulting exchange differences are classified as cumulative translation adjustment and debited / credited to Foreign Currency Translation Reserve.

### h. Warranties

The Original Equipment Manufacturer generally warrants the products distributed by the Group.

### i. Revenue Recognition

1. Revenue from Sales is recognised when the ownership and title is transferred which generally coincides with delivery. Revenue is stated net of discounts, rebates and sales tax.
2. Service Income is recognized when services are rendered. Income from Warranty and Maintenance Contracts is recognized as per the terms of contract.
3. Revenue from supplier schemes is accrued, based on the fulfillment of terms of such programs.

### j. Other Income

1. Lease income is accrued over the period of lease.
2. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income on overdue receivables is recognized only when there is a certainty of receipt.

## k. Employee Benefits

### i. Short Term Employee Benefits

Short term employee benefits including accumulated short term compensated absences determined as per Company's policy/scheme are recognized at the Balance Sheet date as expense based on expected obligation on an undiscounted basis.

### ii. Long Term Employee Benefits

#### Defined Benefit Plan

#### Compensated Absences & Gratuity

The liability for Gratuity and long term compensated absences both unfunded is provided based on actuarial valuation as at the Balance Sheet date, using the Projected Unit Credit Method. Actuarial gains and losses are recognized in the statement of Profit and Loss for the period in which they occur. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost. With respect to overseas subsidiaries, provision for employee's end of service indemnity is made in accordance with the laws as applicable in respective countries.

#### Defined Contribution Plan

Contribution under statutory laws relating to employee benefits, including Provident Fund and ESI, is made in accordance with the respective rules and is charged to statement of Profit and Loss.

## l. Employee share based payments

Stock options granted to the employees under the Employee Stock Option Scheme are evaluated in accordance with the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities and Exchange Board of India and the guidance note on Employee share based payments issued by the Institute of Chartered Accountants of India. The Company follows the intrinsic value method of accounting for the options and accordingly the excess of market value of the stock options as on date of grant over the exercise price of the options, if any, is recognized as deferred employee compensation and is charged to the statement of Profit and Loss on graded vesting basis over vesting period of options.

## m. Current and deferred tax

- Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit for the year.
- Current tax is determined in accordance with the tax laws of respective countries, on the income for the year chargeable to tax.
- Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of the assets and liabilities and their respective tax bases using enacted or substantially enacted tax rates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward to the extent they can be realized.

## n. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for

- Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
  - Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- Contingent assets are not recognized in the financial statements.

## o. Segment Reporting

The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments. Segment revenue and segment results include transfers between segments and such transfers are eliminated in the consolidation of the segments. Expenses that are directly identifiable to segments are considered for determining the segment result. Segment assets and liabilities include those directly identifiable with the respective segments.

## p. Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash.

## q. Earnings per share

The earnings considered in ascertaining the Group's earnings per share comprise the net profit after tax of the group. The number of shares used in computing basic earnings per share is the weighted average number of shares of the holding company outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity shares.

## r. Derivative Instruments and Hedge Accounting

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Group does not hold derivative financial instruments for speculative purposes. The Group has applied to all such contracts outstanding as on March 31, 2012 the hedge accounting principles as set out in Accounting Standard 30 "Financial Instruments : Recognition and Measurement" (AS30) by marking them to market. Changes in the fair value of the contracts that are designated and effective hedges of future cash flows are recognised directly in Hedging Reserve Account.

## 3. Share Capital

- The company has only one class of shares referred to as equity shares having a par value of ₹ 2/-

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
<b>Authorized shares</b>		
425,000,000 (P.Y. 425,000,000) Equity Shares of ₹ 2/- each	8,500.00	8,500.00
<b>Issued, Subscribed and fully paid up</b>		
398,578,195 (Previous Year 396,330,055) Equity Shares of ₹ 2/- each fully paid up	7,971.56	7,926.60

### ii. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	2011-2012		2010-2011	
	No of shares	₹ in Lakhs	No of shares	₹ in Lakhs
At the beginning of the period	396,330,055	7,926.60	393,179,830	7,863.60
Allotted during the period under ESOP, 2008	2,248,140	44.96	3,150,225	63.00
<b>Outstanding at the end of the period</b>	<b>398,578,195</b>	<b>7,971.56</b>	<b>396,330,055</b>	<b>7,926.60</b>

### iii. Terms/rights attached to equity shares:

Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The rights of the shareholder are governed by the Articles of Association of the Company and Companies Act, 1956.

### iv. Shares held by shareholders holding more than 5 %

Particulars	31-Mar-2012		31-Mar-2011	
	No. of shares	% of Share holding	No. of shares	% of Share holding
Redington (Mauritius) Limited	84,027,302	21.08	114,507,975	28.89
Synnex (Mauritius) Limited	94,295,940	23.66	110,190,940	27.80
Standard Chartered Private Equity (Mauritius) Limited	47,686,500	11.96	-	-
T Rowe Price International	-	-	35,243,841	8.89

#### 4. Reserves & Surplus

₹ in Lakhs

(a) Capital reserve	31-Mar-2012	31-Mar-2011
Balance as per last Balance sheet date	28,408.43	28,408.43
Add / (Less): Adjustment of goodwill arising on purchase of minority interest of step-down subsidiary by RIML	(28,387.09)	-
<b>Balance at the end of the year</b>	<b>21.34</b>	<b>28,408.43</b>

(b) Securities Premium Account	31-Mar-2012	31-Mar-2011
Balance as per last Balance sheet date	34,489.26	33,726.64
Add: Shares issued on exercise of ESOP, 2008	546.11	762.62
<b>Balance at the end of the year</b>	<b>35,035.37</b>	<b>34,489.26</b>

(c) General Reserve	31-Mar-2012	31-Mar-2011
Balance as per last Balance sheet date	4,181.17	2,896.77
Add: Transfer from surplus in statement of profit and loss	1,176.09	1,284.40
<b>Balance at the end of the year</b>	<b>5,357.26</b>	<b>4,181.17</b>

(d) Hedge Accounting Reserve	31-Mar-2012	31-Mar-2011
Balance as per last Balance sheet date	(2.09)	(184.77)
Add: Net movement during the year	19.61	182.68
<b>Balance at the end of the year</b>	<b>17.52</b>	<b>(2.09)</b>

(e) Surplus in the Statement of profit and loss	31-Mar-2012	31-Mar-2011
Balance as per last Balance sheet date	50,664.00	34,834.09
Profit for the year	29,274.08	22,599.95
<b>Sub total</b>	<b>79,938.08</b>	<b>57,434.04</b>
<b>Less: Appropriations</b>		
Proposed final equity dividend for the year	(1,595.22)	(4,370.95)
Dividend Distribution Tax	(442.54)	(720.16)
Dividend including dividend distribution tax for previous year (641,310; Previous Year 237,235 equity shares issued under Employee Stock Option Plan 2008)	(8.20)	(13.83)
Transfer to general reserve	(1,176.09)	(1,284.40)
Transfer to statutory reserve	(609.88)	(380.70)
Transfer from employee share purchase reserve	10.97	-
<b>Balance at the end of the year</b>	<b>76,117.12</b>	<b>50,664.00</b>

(f) Statutory Reserves	31-Mar-2012	31-Mar-2011
Balance as per last Balance sheet date	803.72	423.02
Transfer from statement of Profit and loss account	609.88	380.70
<b>Balance at the end of the year</b>	<b>1,413.60</b>	<b>803.72</b>

(g) Foreign Currency Translation Reserve	31-Mar-2012	31-Mar-2011
Balance as per last Balance sheet date	(949.69)	(226.40)
Movement during the year	7,264.25	(723.29)
<b>Balance at the end of the year</b>	<b>6,314.56</b>	<b>(949.69)</b>

(h) Employee Share Purchase Reserve	31-Mar-2012	31-Mar-2011
Balance as per last Balance sheet date	10.97	10.97
Transfer to statement of Profit and loss	(10.97)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>10.97</b>
<b>Total Reserves and Surplus</b>	<b>124,276.77</b>	<b>117,605.77</b>

#### 5. Long term Borrowings (Secured)

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Loan from Banks	49,857.50	-
Loan from others	1,350.00	-
<b>Total</b>	<b>51,207.50</b>	<b>-</b>

The above loans are guaranteed by the holding company. Repayment to bank commences from June 2013 and is secured by inventories of certain subsidiaries.

#### 6. Other Long term Liabilities

₹ in Lakhs

Particulars	Non -Current	
	31-Mar-2012	31-Mar-2011
Non- Compete Fee*	782.70	686.08
Others	12.24	-
<b>Total</b>	<b>794.94</b>	<b>686.08</b>

\* One of the overseas subsidiaries of the Group signed a non-competition agreement with its chief executive officer. Based on the terms of the non-competition agreement, the chief executive officer agreed not to compete with the subsidiary and not to engage in any business transaction which may harm the subsidiary's relations with its business partners until June 30, 2015. In return, the subsidiary has committed to pay a non-competition fee to the chief executive on June 30, 2013. The non-competition agreement has been accounted for as an intangible asset with a corresponding liability recorded under other non-current liability.

#### 7. Long Term Provisions

₹ in Lakhs

Particulars	Non Current	
	31-Mar-2012	31-Mar-2011
<b>(a) Provision for employment benefits</b>		
(i) Compensated Absences	203.67	158.83
(ii) Gratuity*	2,108.65	1,457.41
<b>(b) Others</b>		
(i) Provision for standard assets	23.00	7.03
(ii) Rent equalization reserve	12.56	-
<b>Total</b>	<b>2,347.88</b>	<b>1,623.27</b>

\* In respect of the holding company and its Indian subsidiaries, the obligation towards Gratuity fund is a Defined Benefit Plan.

## Gratuity relating to holding company and certain subsidiaries

Details of actuarial valuation as at the year end is given below (Not funded):

### a. Movement

₹ in Lakhs

Particulars	2011-12	2010-11
<b>Projected Benefit Obligation at the beginning of the year</b>	<b>410.49</b>	<b>321.23</b>
Service cost	105.97	128.08
Interest Cost	29.50	22.53
Actuarial (gain) / loss	(2.07)	(19.24)
Benefits paid	(36.46)	(42.11)
<b>Projected Benefit Obligation at the end of the year</b>	<b>507.43</b>	<b>410.49</b>
Amount recognized in the Balance Sheet:		
Projected benefit obligation at the end of the year	507.43	410.49
Liability recognized in the Balance Sheet	<b>507.43</b>	<b>410.49</b>

Particulars	2011-12	2010-11
<b>Cost of the defined plan for the year:</b>		
Current service cost	105.97	128.08
Interest on obligation	29.50	22.53
Net actuarial loss recognized in the year	(2.07)	(19.24)
Net cost/(gain) recognized in the statement of Profit and Loss	<b>133.40</b>	<b>131.37</b>

### b. Assumptions

Particulars	2011-12	2010-11
Discount Rate	7.5%	7.5%
Salary escalation rate	5%	5%
Demographic assumptions – Mortality	LIC 94-96 rates	LIC 94-96 rates
Demographic assumptions – Withdrawal	3% - 5%	3%

The amount provided for gratuity as per actuarial valuation has been arrived after considering future salary increase, inflation, seniority and promotion.

**Gratuity relating to Redington International Mauritius Limited (Not funded):**

₹ in Lakhs

Particulars	2011-12	2010-11
Balance at the beginning of the year	1,076.69	758.80
Amount charged to the statement of Profit and Loss	619.17	419.88
Amount paid during the year	(66.39)	(101.99)
Balance at the end of the year	<b>1,629.47</b>	<b>1,076.69</b>

## 8. Short-term borrowings

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
<b>Secured Loan from Banks</b>		
– Repayable on demand	48,669.35	105,536.26
– Others	22,286.93	35,806.98
Secured - Term Loan from Banks	65,776.80	1,875.00
<b>Unsecured Loan from Banks</b>		
– Repayable on demand	157.86	-
– Others	17,926.65	15,750.63
<b>Total</b>	<b>154,817.59</b>	<b>158,968.87</b>

- Loan from Banks are secured by pari-passu charge on fixed and current assets.
- The holding company placed Commercial Paper during the year, there are no amounts outstanding as at March 31, 2012 and the maximum amount outstanding any time during the year was ₹ 29,000 Lakhs (Previous Year ₹ 27,500 Lakhs).

## 9. Trade Payables

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Trade Payables*	156,795.55	145,477.15
Other Payables	3,924.97	2,942.48
<b>Total</b>	<b>160,720.52</b>	<b>148,419.63</b>

\* Trade payables are dues in respect of goods purchased or services received (including from employees) in the normal course of business.

## 10. Other current liabilities

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Expenses payable	19,960.37	18,849.14
Interest accrued but not due on loans	829.71	755.84
Unclaimed dividend*	4.57	2.80
Deferred revenue	835.09	660.14
Statutory liabilities	5,598.63	4,954.67
Advances from customers	4,924.82	2,528.32
Others liabilities	4,198.40	3,560.07
<b>Total</b>	<b>36,351.59</b>	<b>31,310.98</b>

\* No amount is due and outstanding to be credited to Investor Education and Protection Fund as on March 31, 2012.



## 11. Short-term provisions

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
<b>(a) Provision for employment benefits</b>		
(i) Compensated absences	56.53	42.09
(ii) Gratuity	28.25	29.77
<b>(b) Others</b>		
(i) Provision for Taxation	468.29	689.12
(ii) Contingent provision for standard assets *	477.00	307.97
(iii) Proposed dividend	1,595.22	4,370.95
(iv) Tax on Proposed Dividend	503.79	770.33
<b>Total</b>	<b>3,129.08</b>	<b>6,210.23</b>

### \* Provision for Standard assets

As a matter of prudence, the company's subsidiary carrying NBFC activities is carrying a cumulative Provision for Standard Assets higher than the percentage prescribed by the Reserve Bank of India (RBI) vide Notification No.DNBS.PD.CC.No.207/03.02.002/2010-11.

## 12. Fixed Assets

₹ in Lakhs

Description	Gross Block				Depreciation				Net Block			
	As at 01.04.11	Additions	Disposal	Translation Adjustment*	As at 31.03.12	As at 01.04.11	For the Year	Deletion	Translation Adjustment*	As at 31.03.12	As at 31.03.12	As at 31.03.11
<b>A. Tangible Assets</b>												
Land	2,615.54	165.09	-	-	2,780.63	-	-	-	-	2,780.63	2,780.63	2,615.54
Building	5,591.56	41.74	-	422.16	6,055.46	419.69	311.48	-	22.66	753.83	5,301.63	5,171.87
Plant and Equipment	1,977.76	291.37	68.85	72.07	2,272.35	1,050.36	321.81	49.00	15.59	1,338.76	933.59	927.40
Furniture & Fixtures	7,065.66	1,752.24	431.20	704.27	9,090.97	4,689.35	1,156.87	373.55	456.01	5,928.68	3,162.29	2,376.31
Office Equipment	3,360.89	609.11	364.52	415.51	4,020.99	1,608.01	414.17	322.49	181.71	1,881.40	2,139.59	1,752.88
Computers	2,152.59	921.54	100.50	88.98	3,062.61	1,781.01	311.45	95.75	39.85	2,036.56	1,026.05	371.58
Vehicles	895.70	311.31	91.56	86.18	1,201.63	463.66	173.80	73.98	57.10	620.58	581.05	432.04
<b>Total</b>	<b>23,659.70</b>	<b>4,092.40</b>	<b>1,056.63</b>	<b>1,789.17</b>	<b>28,484.64</b>	<b>10,012.08</b>	<b>2,689.58</b>	<b>914.77</b>	<b>772.92</b>	<b>12,559.81</b>	<b>15,924.83</b>	<b>13,647.62</b>
<b>Previous year</b>	<b>18,110.41</b>	<b>5,846.25</b>	<b>110.93</b>	<b>(186.03)</b>	<b>23,659.70</b>	<b>7,860.88</b>	<b>2,297.93</b>	<b>80.07</b>	<b>(66.66)</b>	<b>10,012.08</b>	<b>13,647.62</b>	<b>8,326.48</b>

\* With respect to overseas subsidiaries, additions have been converted at average rate and closing balance at closing rate

₹ in Lakhs

Description	Gross Block				Depreciation				Net Block			
	As at 01.04.11	Additions	Disposal	Translation Adjustment*	As at 31.03.12	As at 01.04.11	For the Year	Deletion	Translation Adjustment*	As at 31.03.12	As at 31.03.12	As at 31.03.11
<b>B. Intangible Assets</b>												
Software	2,158.36	391.35	30.41	218.78	2,738.08	1,865.23	290.97	30.41	187.36	2,313.15	424.93	293.13
Non-Compete fee	699.70	-	-	83.00	782.70	38.87	122.52	-	12.54	173.93	608.77	660.83
<b>Total</b>	<b>2,858.06</b>	<b>391.35</b>	<b>30.41</b>	<b>301.78</b>	<b>3,520.78</b>	<b>1,904.10</b>	<b>413.49</b>	<b>30.41</b>	<b>199.90</b>	<b>2,487.08</b>	<b>1,033.70</b>	<b>953.96</b>
<b>Previous year</b>	<b>2,039.75</b>	<b>848.42</b>	<b>-</b>	<b>(30.11)</b>	<b>2,858.06</b>	<b>1,761.12</b>	<b>157.88</b>	<b>-</b>	<b>(14.90)</b>	<b>1,904.10</b>	<b>953.96</b>	<b>143.88</b>

\* With respect to overseas subsidiaries, additions have been converted at average rate and closing balance at closing rate

## 13. Non Current Investments

Investment in associate

₹ in Lakhs

Name of the Corporate Body	31- Mar- 2012	31- Mar- 2011
50,000 Equity Shares of ₹ 10/- each fully paid-up in Redington (India) Investments Limited*	5.00	-
Less: Share of Loss	(1.88)	-
<b>Total</b>	<b>3.12</b>	<b>-</b>

\* Became an Associate from June 8, 2011

## 14. Deferred Tax

Break-up of Deferred Tax Assets arising on account of timing differences (In respect of the holding company and certain subsidiaries)

₹ in Lakhs

Particulars	31- Mar-2012	31-Mar-2011
<b>i. Deferred Tax Assets:</b>		
Provision for doubtful trade receivables	364.83	218.08
Gratuity	163.91	133.21
Leave encashment	83.33	65.19
Depreciation	81.32	73.66
Others	219.20	505.50
<b>Total</b>	<b>912.59</b>	<b>995.64</b>
<b>ii. Deferred Tax Liability:</b>		
Depreciation	104.52	362.43
<b>Total</b>	<b>104.52</b>	<b>362.43</b>
<b>Deferred Tax Asset (Net)</b>	<b>808.07</b>	<b>633.21</b>

Break up of Deferred Tax liability arising on account of timing difference (In respect of a subsidiary)

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
<b>i. Deferred Tax Liability:</b>		
Depreciation	(6.77)	-
<b>Total</b>	<b>(6.77)</b>	<b>-</b>
<b>ii. Deferred Tax Asset:</b>		
Provision for doubtful trade receivables	4.67	-
Gratuity	0.62	-
Leave encashment	0.98	-
<b>Total</b>	<b>6.27</b>	<b>-</b>
<b>Deferred Tax Liability (Net)</b>	<b>(0.50)</b>	<b>-</b>

**15. Long Term loans and advances (Unsecured and considered good)**

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
(a) Capital advances	97.43	19.53
(b) Security Deposits	770.75	402.61
(c) Loans and Advances to employees	15.50	-
(d) Advance taxes (net of provisions)	2,438.46	1,717.55
(e) Receivable from customs department	850.03	1,125.09
(f) Others	241.00	319.64
<b>Total Long term Loans and advances</b>	<b>4,413.17</b>	<b>3,584.42</b>

**16. Long term receivables under financing activity**

(Represents repayments due after one year from the reporting date)

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Secured and considered good	2,102.35	1380.81
Unsecured and considered good	533.48	130.93
<b>Total</b>	<b>2,635.83</b>	<b>1,511.74</b>

**17. Inventories**

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Trading Stocks	152,879.32	143,976.13
Goods in Transit	16,663.48	13,908.89
Service Spares	456.83	442.48
<b>Total</b>	<b>169,999.63</b>	<b>158,327.50</b>

**18. Trade Receivables - Unsecured**

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
<b>(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>		
Considered good	8,372.29	7,345.27
Considered Doubtful	1,123.58	3,475.68
Less: Provision for doubtful receivables	(1,123.58)	(3,475.68)
<b>(b) Other trade receivables</b>		
Considered good	213,529.58	179,683.96
Considered Doubtful	6,641.03	2,605.89
Less: Provision for doubtful receivables	(6,641.03)	(2,605.89)
<b>Total</b>	<b>221,901.87</b>	<b>187,029.23</b>

**19. Cash and Cash Equivalents**

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Cash on hand	283.66	455.97
Balances with Banks		
(i) In current accounts	25,063.31	26,892.95
(ii) In deposit accounts	21,733.03	20,074.52
(iii) Margin money with banks	1,259.22	634.00
(iv) Earmarked balances – Unclaimed Dividend account	4.57	2.80
<b>Total</b>	<b>48,343.79</b>	<b>48,060.24</b>

**20. Short term loans & advances (Unsecured and considered good)**

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
(a) Security deposits	1,442.97	1,682.34
(b) Loans and Advances to employees	334.90	210.58
(c) Prepaid expenses	3,191.22	2,934.01
(d) Balances with government authorities		
(i) Receivables from Customs authorities	4,657.38	4,929.47
(ii) VAT & Service Tax Credit Receivable	3,163.28	1,835.69
(e) Advance to suppliers	11,150.51	8,532.37
<b>Total</b>	<b>23,940.26</b>	<b>20,124.46</b>

**21. Short term receivables under financing activity**

(Represents repayments due within one year from the reporting date)

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Secured and considered good	31,667.04	18,047.23
Unsecured and considered good	22,992.72	48,245.09
<b>Total</b>	<b>54,659.76</b>	<b>66,292.32</b>

**22. Revenue from Operations**

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Sales	2,028,963.85	1,594,977.71
Service Income	40,765.22	37,420.31
Interest on loan	3,291.66	2,121.75
Other financial services	2,046.34	919.81
Rebates	44,212.39	34,922.35
Other operating revenues	19.27	15.19
<b>Total</b>	<b>2,119,298.73</b>	<b>1,670,377.12</b>

## 23. Other Income

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Interest on loan	109.99	1,071.75
Interest from dealers	1,017.41	439.91
Interest on overdue trade receivables	1.23	-
Interest on Bank deposits	447.56	14.71
Dividend from Short term Investments	68.30	-
Bad Debts Written off in earlier years recovered	45.66	24.06
Exchange Gain/(Loss) Net	562.38	256.75
Other Non-operating income	650.88	80.72
<b>Total</b>	<b>2,903.41</b>	<b>1,887.90</b>

## 24. Employee benefits

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Salaries & Bonus	26,062.75	19,190.84
Contribution to Provident Fund & Other Funds	503.16	397.54
Welfare Expenses	718.77	517.12
Gratuity	752.57	551.25
<b>Total</b>	<b>28,037.25</b>	<b>20,656.75</b>

## 25. Finance Costs

₹ in Lakhs

Particulars	31-Mar-2012	31-Mar-2011
Interest on loan	14,003.99	8,842.22
Other Borrowing Costs	1,200.28	766.45
<b>Total</b>	<b>15,204.27</b>	<b>9,608.67</b>

## 26. Other Expenses

₹ in Lakhs

Particulars	31-Mar -2012	31-Mar-2011
Rent	5,625.93	4,198.96
Freight	4,993.30	3,712.11
Commercial Taxes	3,117.25	1,782.17
Repairs and maintenance	1,790.92	1,350.54
Utilities	760.48	553.84
Insurance	1,976.89	1,583.16
Communication	1,761.05	1,680.77
Advertisement	2,714.63	2,332.65
Travel	2,567.57	1,747.35
Professional Charges	1,547.18	699.49
Bad Debts	594.79	732.46
Less :-Written off against provision	561.93	412.52
	32.86	319.94

Provision for doubtful receivables	2,244.97	2,085.43
Audit remuneration (including remuneration to subsidiaries' auditors)	408.37	332.24
Factoring Charges	119.45	153.05
Directors' Fee*	85.60	82.35
Loss on Sale of Fixed Assets	18.75	(55.61)
Outsourced resource cost	526.97	407.96
Security Charges	508.69	272.59
Packing Charges	283.69	193.07
Provision for standard assets	185.00	195.00
Software expenses	659.85	497.45
Guarantee charges	1,096.31	521.66
Bank Charges	1,681.68	2,164.72
Miscellaneous expenses	2,642.79	1,020.73
<b>Total</b>	<b>37,350.18</b>	<b>27,831.62</b>

\* includes commission Paid to Non wholetime Directors:

Commission of ₹ 50 Lakhs to Non whole-time directors provided in the accounts, requires the approval of the shareholders at the ensuing Annual General Meeting.

## 27. Earnings per Share

The calculation of the Basic and Diluted Earning per share is based on the following data:

Description	31-Mar -2012	31-Mar-2011
Profit after Tax (₹ In Lakhs)	29,274.08	22,599.95
Weighted Average Number of equity shares (Basic)	398,024,290	395,348,997
Earning per share- Basic ₹	7.35	5.72
Weighted Average Number of equity shares on account of Employee Stock Option Plan 2008 (Diluted)	399,072,457	397,931,703
Earning per share- Diluted ₹	7.34	5.68
Face Value per share in ₹	2/-	2/-

## 28. Contingent Liabilities & Commitments

₹ in Lakhs

Particulars	31-Mar -2012	31-Mar-2011
i. Corporate Guarantees issued to others	-	321.68
ii. Letter of Credit	2,620.06	2,566.01
iii. Bills Discounted*	2,165.34	6,939.49
iv. Factoring*	4,422.50	2,000.00
v. Claims against Company not acknowledged as debts	187.34	564.43

\* Net of inter group transaction

vi. The holding company has in addition to the above issued letters of comfort /awareness to banks for the facilities granted to their subsidiaries.

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

₹ in Lakhs

Nature of Dues	31-Mar-2012	31-Mar-2011
Customs duty	169.64	315.79
Income Tax	847.13	554.74
Sales Tax	1,204.25	1,229.18

The holding company has paid ₹ 495.73 lakhs under protest (P.Y. ₹ 631.23 Lakhs), which is included under Long term loans & advances.

viii. As at March 31, 2012, Redington Turkey Holdings, S.A.R.L. (RTHS), a step – down subsidiary of Redington (India) Limited, is a party to an administrative lawsuit filed before the 8<sup>th</sup> Administrative Court of Ankara, as the plaintiff, requesting the stay of execution and cancellation of the decision of the Capital Market Board (“CMB”) dated August 25, 2011 requiring RTHS to file an application with the aim to conduct a mandatory tender offer towards the shareholders of Arena Bilgisayar Sanayi ve Ticaret A.S. (“Arena”) in connection with its purchase of 49.40% stake in Arena on November 29, 2010 which would require RTHS to purchase the remaining 16,192,000 shares of Arena at a price which, in the absence of appropriate precedent, cannot be determined as of the date of this report. The request for the stay of execution of the CMB’s decision at the onset of the lawsuit was rejected by the 8<sup>th</sup> Administrative Court of Ankara on February 29, 2012 and this rejection was subsequently challenged before the Ankara Regional Administrative Courts which is currently reviewing the challenge (requesting once more the stay of execution of the CMB’s decision) filed by the Company. The court has not yet reviewed the merits of the lawsuit.

The CMB’s decision is based on an injunction decision given by the 13<sup>th</sup> Chamber of the Council of State on July 18, 2011, as a result of a lawsuit filed by an individual investor against the CMB requesting injunction on and the cancellation of certain provisions of the CMB Communique regulating tender offers in Turkish public companies and the CMB decision turning down the request of the investor seeking a tender offer to be launched by the Company in connection with its purchase of 49.40% stake in Arena on November 29, 2010. The injunction decision given by the 13<sup>th</sup> Chamber of the Council of State was challenged by the CMB before the Council of Administrative Chambers of the Council of State which is currently reviewing the objection (requesting the injunction to be revoked). The Company applied to the 13<sup>th</sup> Chamber of the Council of State on 10 October 2011 to join and become a party in this lawsuit on the side of the defendant CMB. The Company also submitted a detailed petition explaining why the challenge by the CMB should be upheld. However, as of March 31, 2012 the court had not resolved on the Company’s request or the subsequent petition that was submitted by the Company to the arguments of the CMB.

### ix. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 2,575.90 Lakhs (P.Y. ₹ 406.34 Lakhs).

### 29. Statutory Reserve

- Statutory Reserve represents the Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934 by the Company’s subsidiary carrying NBFC activities.
- Statement of Profit and Loss include ₹ 33.68 lakhs (P.Y. ₹ 30.11 lakhs) representing statutory reserves required by the local laws of the countries where overseas subsidiaries are domiciled, created by allocating a certain percentage of net profits for the year. These reserves are not distributable except as provided by the relevant country’s law.

### 30. Operating Leases

The holding company has taken cancellable operating lease for its office premises, which are for a period ranging from 11 months to 9 years.

### 31. Segment Reporting

The Company has identified geographical segment as its primary segment. Geographical segments are reported viz., India and Overseas. Secondary segment identified are Distribution & Service business and Financial Service business.

#### PRIMARY SEGMENT

₹ in Lakhs

Particulars	India		Overseas		Eliminations		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>Revenue</b>								
External	996,096.50	817,841.06	1,126,105.64	854,423.96			2,122,202.14	1,672,265.02
Inter-segment	959.78	388.61	4,591.47	1,405.30	(5,551.25)	(1,793.91)		
<b>Total</b>	<b>997,056.28</b>	<b>818,229.67</b>	<b>1,130,697.11</b>	<b>855,829.26</b>	<b>(5,551.25)</b>	<b>(1,793.91)</b>	<b>2,122,202.14</b>	<b>1,672,265.02</b>
Profit before tax	27,607.68	21,977.05	17,616.40	13,263.52	(191.27)	(140.15)	45,032.81	35,100.42
Segment Assets	272,842.48	261,651.16	297,535.00	239,018.80	(19,271.94)	6,207.88	551,105.54	506,877.84
Segment Liabilities	204,067.22	204,251.91	218,001.29	143,332.22	(12,698.91)	(365.08)	409,369.60	347,219.05
<b>Other Information</b>								
Depreciation	1,187.20	1,471.72	1,915.87	984.09			3,103.07	2,455.81
Capital Expenditure	2,674.54	1,405.75	2,537.57	4,238.25			5,212.11	5,644.00

#### SECONDARY SEGMENT

₹ in Lakhs

Particulars	Distribution & Service		Financial Services		Eliminations		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>Revenue</b>								
External	2,116,856.84	1,669,524.88	5,345.30	2,740.14			2,122,202.14	1,672,265.02
Inter-segment			2,132.92	2,477.64	(2,132.92)	(2,447.64)		
<b>Total</b>	<b>2,116,856.84</b>	<b>1,669,524.88</b>	<b>7,478.22</b>	<b>5,217.78</b>	<b>(2,132.92)</b>	<b>(2,477.64)</b>	<b>2,122,202.14</b>	<b>1,672,265.02</b>
Profit before tax	40,766.60	32,238.86	4,266.21	2,861.56			45,032.81	35,100.42
Segment Assets	493,057.09	439,475.31	58,055.78	68,187.53	(7.33)	(785.00)	551,105.54	506,877.84
Segment Liabilities	380,525.87	305,437.94	31,686.36	42,943.69	(2,842.63)	(1,162.58)	409,369.60	347,219.05
<b>Other Information</b>								
Depreciation	3,032.24	2,400.88	70.83	54.93			3,103.07	2,455.81
Capital Expenditure	5,138.98	5,567.43	73.13	76.57			5,212.11	5,644.00

### 32. Accounting for Financial Instruments

The holding company has recognized Mark to Market (MTM) gain/(loss) of ₹ Nil Lakhs (Previous Year loss of ₹ 2.09 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 holding Company has not entered into any speculative/other derivative transaction.

### 33. Events occurring after the balance sheet date

Equity shares of ₹ 2/- each fully paid up were issued and allotted pursuant to the exercise of stock options under Employee Stock Option Plan 2008.

Date of allotment	No of Shares
April 20, 2012	226,000

### 34. Related party disclosures

#### 1) Key Management Personnel

Mr. R Srinivasan, Managing Director

Mr. Raj Shankar, Deputy Managing Director

Mr. M Raghunandan, Whole-time Director

#### 2) Names of the related parties

Party where control exists	Redington Employee Share Purchase Trust
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Parties having Significant Influence	Redington (Mauritius) Limited, Mauritius Synnex Mauritius Limited, Mauritius
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#### 3) Nature of Transactions

₹ in Lakhs

Nature of Transactions	31-Mar-2012	31-Mar-2011
<b>Parties where control exists:</b>		
<b>Redington Employees Share Purchase Trust</b>		
Loan Granted	-	4.50
Loan re-paid	4.50	-
Dividend Paid	0.54	0.10
Loan Outstanding	-	4.50

Nature of Transactions	31-Mar-2012	31-Mar-2011
<b>Parties having significant influence:</b>		
<b>Redington (Mauritius) Limited</b>		
Dividend Paid	924.30	1,145.08
<b>Synnex Mauritius Limited</b>		
Dividend Paid	1,037.26	1,101.91

Related parties have been identified by the management

### 35. 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	Grant V
Date of Grant	29-Feb-08	25-Jul-08	28-Jan-09	22-May-09	5-Dec-11
Exercise Price (₹)*	348.05	319.90	130.00	165.00	396.50
Vesting commences on	28-Feb-09	24-Jul-09	27-Jan-10	21-May-10	4-Dec-12
Options granted	2,335,973	11,000	276,143	25,000	173,212
Options lapsed	488,889	-	-	-	10,550
Options vested	1,847,084	11,000	276,143	18,750	-
Options exercised at the beginning of the year	1,226,407	4,250	157,108	12,500	-
Options exercised during the year	372,343	2,000	69,035	6,250	-
Total options outstanding and not exercised as on March 31, 2012	248,334	4,750	50,000	6,250	162,662

\* Out of the total grant of options in 2008, 19,59,830 options were repriced at ₹ 130/- on January 28, 2009 and 75,000 options were repriced at ₹ 165/- on May 22, 2009

Out of the lapsed options the Board/Committee of directors at their meetings had approved reissue of options as follows

Date of Grant	July 25, 2008	January 28, 2009	May 22, 2009	December 5, 2011
No. of options	11,000	276,143	25,000	173,212

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	Feb 29, 2008	Repriced on Jan 28, 2009	Repriced on May 22, 2009	Jul 25, 2008	Repriced on Jan 28, 2009	Jan 28, 2009	May 22, 2009	Dec 5, 2011
Fair Value	171.33	25.56	33.04	159.71	23.77	47.46	79.82	171.72

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

#### A. Stock price

The closing market price on the date prior to the date of grant on National Stock Exchange (NSE) has been considered for the purpose of option valuation.

#### 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. However, Guidance note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India recommends including the historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued.

The entity's stocks have been publicly traded on NSE and BSE. For calculating Volatility, we have considered the daily volatility of the stock prices on NSE, over a period prior to the date of grant, corresponding with the expected life of the options.

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

Options have been granted primarily at a price of ₹ 348.05 on February 29, 2008. Subsequently, 1,959,830 and 75,000 options were re-priced at a Market price of ₹ 130/- and ₹ 165/- on January 28, 2009 and May 22, 2009 respectively. On December 5, 2011 173,212 options were granted at a price of ₹ 396.50 per option.

#### E. 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 –

- The expected life must at least include the vesting period.
- 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.
- 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 it would be if the award were viewed as several separate awards, each with a different vesting date. A weighted average of all vests has been calculated to arrive at the value of the options.

The time to maturity has been estimated as illustrated by the following example. In case of the grant made on December 5, 2011, the earliest date of exercise is December 5, 2012 i.e. one year from the date of grant. The exercise period is five years from the date of vest.

Hence, the time to maturity for the first vest is equal to the average of the minimum period plus the maximum period i.e. 1 year + 6 Years = 3.5 years. Time to Maturity has been estimated on a similar basis for the remaining vests.

**Expected Dividend yield:** Expected dividend yield has been calculated as an average of dividend yields for the preceding 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:

Particulars	₹ in Lakhs	
	2011-12	2010-11
Profit after tax as per statement of Profit and Loss (a)	29,274.08	22,599.95
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	-	-
Less: Employee Stock Compensation Expense as per Fair Value Method	37.69	225.76
Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	29,236.39	22,374.19
Earnings per share based on earnings as per (a) above		
– Basic	7.35	5.72
– Diluted	7.34	5.68
Earnings per share had fair value method been employed for accounting of employee stock options as per (b) above		
– Basic	7.35	5.66
– Diluted	7.33	5.62

For and on behalf of the Board of Directors

**R Srinivasan**  
Managing Director

**Raj Shankar**  
Dy. Managing Director

**M Raghunandan**  
Whole-Time Director

**S V Krishnan**  
Chief Financial Officer

**M Muthukumarasamy**  
Company Secretary

Place: Chennai  
Date: May 25, 2012

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

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	1,000.00	(226.94)	1,614.39	841.33	-	6,175.83	(187.46)	0.14	(187.60)	-	India
2	Easyaccess Financial Services Limited	INR	1.0000	15,103.00	11,266.45	58,055.81	31,686.36	-	7,443.27	4,266.22	1,385.22	2,881.00	1,510.30	India
3	Cadensworth (India) Limited	INR	1.0000	130.13	1,565.08	3,219.42	1,524.21	-	1,079.23	580.55	187.76	392.79	-	India
4	Redington Bangladesh Limited	TAKA	0.6223	18.67	10.17	39.27	10.43	-	-	1.38	-	1.38	-	Bangladesh
5	Redington Distribution Pte. Limited	USD	50.8750	2,035.00	5,116.51	26,667.90	19,516.39	-	127,929.00	1,768.32	365.53	1,402.79	205.46	Singapore
6	Redington Gulf FZE	AED	13.8525	1,662.30	61,154.49	197,210.08	134,393.29	-	622,428.55	6,776.83	74.93	6,701.90	2,396.31	UAE
7	Redington Gulf and Co. LLC	RO	132.1367	198.21	176.32	1,735.14	1,360.61	-	822.54	28.23	-	28.23	-	Oman
8	Redington Nigeria Limited	NN	0.3227	32.27	(343.77)	5,186.34	5,497.84	-	14,093.78	76.33	5.70	70.63	-	Nigeria
9	Redington Egypt Limited	LE	8.4376	4.22	305.82	2,683.90	2,373.86	-	10,228.15	97.56	15.97	81.59	-	Egypt
10	Redington Kenya Limited	SH	0.6144	6.14	(207.81)	13,086.53	13,288.20	-	51,820.57	32.61	-	32.61	-	Kenya
11	Cadensworth FZE	AED	13.8525	138.53	6,403.12	17,245.56	10,703.91	-	3,321.37	233.02	-	233.02	-	UAE
12	Redington Middle East LLC	AED	13.8525	41.56	4,949.88	14,974.52	10,583.08	-	70,437.65	2,044.45	-	2,044.45	-	UAE
13	Redington Qatar WLL	QR	13.9730	27.95	1,777.00	2,786.30	981.35	-	2,679.27	482.37	23.95	458.42	-	Qatar
14	Redington Africa Distribution FZE	AED	13.8525	138.53	7,459.37	39,843.80	32,245.90	-	145,050.45	3,028.83	-	3,028.83	-	UAE
15	Redington Arabia Limited	SR	13.5650	135.65	952.01	2,940.22	1,852.56	-	3,065.01	44.12	25.28	18.84	-	Saudi Arabia
16	Redington Bahrain SPC	BD	134.9408	67.47	155.19	755.56	532.90	-	844.59	84.89	-	84.89	-	Bahrain
17	Redington Qatar Distribution Company W.L.L	QR	13.9730	27.95	24.06	2,047.69	1,995.68	-	1,702.58	9.58	0.46	9.12	-	Qatar
18	Redington International (Holdings) Limited	USD	50.8750	7.62	76,400.89	77,292.82	884.31	-	-	2,315.56	-	2,315.56	2,142.08	Cayman Islands
19	Redington International Mauritius Limited	USD	50.8750	12,235.44	2,415.78	66,924.75	52,273.53	-	-	1,052.58	-	1,052.58	-	Mauritius
20	Redington Kenya EPZ Limited	SH	0.6144	0.61	(27.75)	5,227.90	5,255.04	-	3,810.56	4.61	-	4.61	-	Kenya
21	Africa Joint Technical Services Company	LD	41.0044	123.01	23.13	227.67	81.53	-	-	6.14	2.07	4.07	-	Libya
22	Cadensworth UAE LLC	AED	13.8525	41.56	534.70	15,813.70	15,237.44	-	336.42	36.99	-	36.99	-	Dubai
23	Redington Limited, Ghana	GHS	32.0623	178.11	17.56	2,417.65	2,221.98	-	11,199.63	12.31	2.29	10.02	-	Ghana
24	Redington Uganda Limited	UGS	0.0202	3.03	44.73	4,705.52	4,657.76	-	10,270.89	16.28	-	16.28	-	Uganda
25	Redington Morocco Ltd	IMAD	6.0971	18.29	8.62	1,032.56	1,005.65	-	528.28	9.86	-	9.86	-	Morocco
26	Redington SL PVT LTD	LKR	0.3971	112.94	10.57	2,118.19	1,994.68	-	8,518.21	(18.56)	31.41	(49.97)	-	Sri Lanka
27	Redington Turkey Holdings S.A.R.L.	USD	50.8750	228.94	680.42	22,350.42	21,441.06	-	-	821.71	86.39	735.32	-	Turkey
28	Arena Bilgisayar Sanayi Ve Ticaret Anonim Sirketi	USD	53.1050	11,852.50	13,001.70	66,543.75	41,689.55	-	238,097.65	4,520.39	1,688.02	2,832.37	1,779.64	Luxembourg
29	Redington Tanzania Limited	TZS	0.0320	0.03	6.19	450.85	444.63	-	470.62	5.78	-	5.78	-	Tanzania
30	Redington IT Services (Pty) Ltd	ZAR	6.9433	48.52	1.57	371.85	321.76	-	231.74	2.18	0.61	1.57	-	South Africa
31	Arena International FZE	AED	14.4600	144.600	214.48	7,367.54	7,008.46	-	23,218.62	198.89	-	198.89	-	Jebel Ali, Dubai, UAE

RGF Private Trust Company Limited, Cayman Islands, Redington Gulf FZE, Iraq and Redington Angola Limited, Angola are yet to commence their operations.

**Abbreviation:**

INR - Indian Rupees; AED - UAE Dirhams; QR - Qatari Riyals; 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 Shillings; UGS - Ugandan; LD-Libyan Dinar; MAD-Moroccan Dirham; LKR- Sri Lankan Rupee.

## REDINGTON (INDIA) LTD.

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

other than the Whole-time Directors, by way of Commission up to an aggregate limit of 1% of the net profits of the Company computed in accordance with the provisions of Section 349/350 Companies Act, 1956 for each financial year and subject to such limits as may be determined from time to time by the Board of Directors, for a period of five years commencing from financial year ended 31st March 2012”.

By Order of the Board  
For Redington (India) Limited

### NOTICE

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the Company will be held on Tuesday, the 31st day of July 2012 at 10.00 A.M at the Mini Hall, Narada Gana Sabha, No. 314 (Old No. 254), T.T.K. Road, Alwarpet, Chennai 600 018, to transact the following business:

Chennai  
May 25, 2012

M. Muthukumarasamy  
Company Secretary

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2012, the statement of Profit and Loss for the financial year ended on that date, and the Reports of the Directors and Auditors thereon.
2. To declare Dividend for the year ended 31st March 2012.
3. To appoint a Director in place of **Mr. R. Jayachandran**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Prof. J. Ramachandran**, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting on such remuneration to be fixed by the Board of Directors. **M/s. Deloitte Haskins & Sells**, Chartered Accountants, the retiring Auditors, being eligible, offer themselves for re-appointment.

### SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s) the following as an Ordinary Resolution:  
“RESOLVED that Mr. Nainesh Jaisingh, who was appointed as an Additional Director, in terms of Section 260 of the Companies Act, 1956 to hold office till the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 257 of the said Act proposing his appointment, be and is hereby appointed as Director of the Company liable to retirement by rotation.”
7. To consider and if thought fit, to pass, with or without modification(s) the following as an Ordinary Resolution:  
“RESOLVED that Mr. Lin Tai – Yang, who was appointed as an Additional Director, in terms of Section 260 of the Companies Act, 1956 to hold office till the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 257 of the said Act proposing his appointment, be and is hereby appointed as Director of the Company liable to retirement by rotation.”
8. To consider and if thought fit, to pass, with or without modification(s) the following as an Ordinary Resolution:  
“RESOLVED that in accordance with the provisions of Section 269 and other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to approval of the Central Government, approval of the Company be and is hereby accorded for the re-appointment of Mr. Raj Shankar as Deputy Managing Director of the Company for a period of five years with effect from 26th July, 2012 without payment of any remuneration excepting reimbursement of the expenses incurred by him in connection with the business of the company and on the terms contained in the Agreement entered between Mr. Raj Shankar and the Company.”
9. To consider and if thought fit, to pass, with or without modification(s) the following as a Special Resolution  
“RESOLVED that pursuant to the provisions of Section 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) approval of the company be and is hereby accorded for payment of remuneration to the Directors of the Company

### Notes :

1. The relative explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items 6 to 9 is attached hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A BLANK PROXY FORM IS ENCLOSED FOR USE BY MEMBERS, IF REQUIRED. THIS MUST BE SUBMITTED WITH THE COMPANY’S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 25th July 2012 to Tuesday, 31st July 2012 (both days inclusive) for the purpose of payment of Dividend.
4. The Dividend as recommended by Board of Directors if approved at the meeting, will be paid as under :-
  - o to all beneficial owners in electronic form as per data made available by NSDL and CDSL.
  - o to all shareholders in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 24th July 2012.
5. All correspondence with regard to share transfers/dividends and matters related therewith may be addressed directly to the Company’s Registrar and Share Transfer Agents at M/s. Cameo Corporate Services Limited, ‘Subramanian Building’, No. 1, Club House Road, Chennai - 600 002.
6. Members are requested to lodge/notify the transfer deeds, communication for change of address, Bank details, ECS details, wherever applicable, mandates (if any) with the Company’s Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Ltd., for shares held in physical mode.
7. Members holding shares in electronic form are requested to lodge the above details to their depository participants and not to the Company or to the Registrar and Share Transfer Agents of the Company as the Company is obliged to use only the data provided by the Depositories while making payment of dividend.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Pursuant to the “Green Initiative” move taken by the Ministry of Corporate affairs, the Company is required to send all statutory communications via email to the shareholders who have registered their email IDs. Towards this Green Initiative, the Company, requests
  - a. Members who are holding shares in Physical mode to submit their valid email ID to M/s. Cameo Corporate Services Limited, the Registrar and Share Transfer Agents, by quoting their folio number and also any change therein from time to time and
  - b. Members holding shares in dematerialized form are also requested to inform/update their valid email IDs to their respective depository participants from time to time.

10. Members/Proxy holders are requested to produce the enclosed admission slip duly completed and signed at the entrance of the auditorium.
11. Members who have not yet en-cashed the dividend warrants for the financial years from 2006-07 to 2010-11 are requested to present the same for revalidation to our Registrar and Share Transfer Agents.
12. Brief particulars of the Directors retiring by rotation, Deputy Managing Director and of other directors seeking appointment/re-appointment are given in the Corporate Governance Report forming part of the Annual Report.
13. The Ministry of Corporate Affairs, Government of India, vide their General Circular No: 2/2011 dated 8th February 2011 has granted general exemption from annexing the accounts of the subsidiary companies with the accounts of the Company in view of the consolidated accounts being made available to the members.
14. The detailed annual accounts of the Company and its subsidiaries are available to the Members of the Company on any working day at the Registered Office of the Company. The annual accounts of the subsidiary companies are also available at the Registered Office of the Company and the respective subsidiary companies.

## Explanatory Statement

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

#### Item No. 6 & 7

Mr. Nainesh Jaisingh and Mr. Lin Tai-Yang were appointed as Additional Directors with effect from 5th August 2011 and 28th October 2011 respectively in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 26 (c) of the Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956, M/s Nainesh Jaisingh and Lin Tin-Yang, hold office up to the date of the ensuing Annual General Meeting.

The Company has received notices in writing from members of the Company together with the requisite deposit amount, as per the provisions of Section 257 of the Companies Act, 1956 proposing the above candidates for the office of Director subject to retirement by rotation.

Brief particulars of M/s Nainesh Jaisingh and Lin Tin-Yang are given in the Report on Corporate Governance forming part of the Annual Report.

Your Directors recommend the said resolutions for your approval.

The aforesaid Directors may be deemed to be concerned or interested in the resolution relating to their respective appointments. None of the other Directors are in any way concerned or interested in the said resolution.

#### Item No. 8

Mr. Raj Shankar was appointed as Deputy Managing Director with effect from 26th July 2007 for a period of five years and his appointment was approved by the Members at the Extra-Ordinary General Meeting held on 27th February 2008. The tenure of his appointment is until 25th July 2012.

Considering Mr. Raj Shankar's vast experience in the field of Information Technology and his contribution to the Company, the Board of Directors at their meeting held on 25th May 2012 approved the re-appointment of Mr. Raj Shankar as Deputy Managing Director of the Company for a further period of five years with effect from 26th July 2012 without payment of any remuneration excepting reimbursement of the expenses incurred by him in connection with the business of the Company and on the terms and conditions contained in the agreement as entered between Mr. Raj Shankar and the Company subject to the approval of members and the Central Government.

Brief particulars of Mr. Raj Shankar is given in the Report on Corporate Governance forming part of the Annual Report.

As Mr. Raj Shankar has not been staying in India for a continuous period of twelve months immediately preceding the days of his appointment as Deputy Managing Director, an application for approval of the Central Government for his re-appointment as Deputy Managing Director under Section 269 read with requirements of Schedule XIII of the Companies Act, 1956 would be made, post approval of the members.

The Directors recommend the Resolution as Item No: 8 of the Notice for the approval of members.

None of the Directors except Mr. Raj Shankar is interested in this resolution.



**Item No. 9**

At their meeting held on 26th July 2007 the Members had approved payment of commission to Non-executive Directors up to an overall aggregate of 1% of the net profits of the Company for each financial year and subject to such limits as may be determined from time to time by the Board of Directors for a period of five years with effect from the financial year ended 31st March 2007.

Considering the contribution and guidance by the Non executive directors for the progress of the Company, it is proposed to continue payment to the Non-executive Directors a commission out of net profits of the Company subject to applicable provisions of the Companies Act, 1956 for a further period of five years from the Financial Year ended 31st March 2012.

The Directors recommend the Resolution as Item No: 9 of the Notice for the approval of members.

None of the Directors other than the Non-Executive Directors of the Company are interested in this resolution.

By Order of the Board  
For Redington (India) Limited

M. Muthukumarasamy  
Company Secretary

Chennai  
May 25, 2012

**REDINGTON (INDIA) LTD**

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

**ATTENDANCE SLIP**

Nineteenth Annual General Meeting - 31st July 2012

DP ID

Folio No.

Client ID

No. of Shares Held

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

I hereby record my presence at the Nineteenth Annual General Meeting of the Company at the Mini Hall, Narada Gana Sabha, No.314 (Old No. 254), T.T.K Road, Alwarpet, Chennai -600 018 on Tuesday, the 31st day of July 2012 at 10.00 A.M.

\_\_\_\_\_  
Name of the member/proxy

\_\_\_\_\_  
Signature of the member/proxy

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

**REDINGTON (INDIA) LTD**

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

**PROXY FORM**

DP ID

Folio No.

Client ID

No. of Shares Held

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being member /members of the Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us/on my/our behalf at the NINETEENTH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 31st day of July 2012 at 10.00 A.M. at the Mini Hall, Narada Gana Sabha, No.314 (Old No. 254), T.T.K Road, Alwarpet, Chennai-600 018 and at any adjournment (s)thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

₹ 1/-  
Revenue  
Stamp

\_\_\_\_\_  
Signature of the Proxy

\_\_\_\_\_  
Signature of the Member

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

# in recognition

## INDIA

- Dun and Bradstreet Award for Corporate Excellence at the Rolta Corporate Awards 2011
- Outstanding Performance in Indigo Business for HP's H1 FY2011
- HP Indigo-Highest Page growth channel Partner Year – 2011
- Award of Excellence for BENQ projector business.
- “Best after sales support” – Editor’s choice among National distributors from ITPV
- HP STORAGE
  - HP Storage Dat Champion -H1 FY11
  - HP Storage Autoloader Champion - H1 FY11
  - HP Storage EVA Modular Champion - H1 FY11
  - HP Storage MSL Tape Library Champion - H1 FY11
  - HP Storage P4000 iSCSI Champion -H1 FY11
- ORACLE
  - VAD of the Year FY11 - Fusion Middleware
  - VAD of the Year FY11 - Technology Database Software
  - VAD of the Year FY11 - Systems
  - Distributor of the Year FY11
- Ncomputing - Excellence Award for Value Added Distribution'2011 - APAC Region
- IBM
  - Distributor with Highest Storage Run Rate Revenues In 2010 -IBM ISA BP Summit 2011
  - Distributor with Highest Overall Stg Revenues In 2010 -IBM ISA BP Summit 2011
- IBM Software - Critical Contributor for Channel Business – 2010
- CITRIX- Distributor for the Year 2011-2012
- HITACHI - Distributor for the Year 2011-2012
- WD Internal Drives – For Customer Breadth Growth Award
- WD External Drives – For Fastest Year-on-Year Growth Award
- EMC – Best Distributor in APJC region

## MEA

- Channel Executive of the Year 2011 Award for Mr. Raj Shankar.
- Volume Distributor of the Year Award from MERETAIL ACADEMY 2011.
- The Top Performing Distributor and Best Marketing Contribution Award for Redington Saudi Arabia from HP.
- Best Networking Distributor of the Year in the Network Innovation Awards 2011 organized by ITP.
- Best Partner Excellence Distributor Award at the Reseller Middle East Awards 2011.
- ESSN Distributor of the year – Redington Value in the HP Middle East Channel Awards Nite 2011.
- The Best Distributor Award in the Sonicwall Partner Summit.
- The Outstanding Sales Performance Award – Africa from APC.
- The Best Growth Initiative by a Distributor by Channel Middle East Awards 2012.
- Best Partner Excellence Distributor Award at the Reseller Middle East Awards 2011 at the Westin, Dubai.
- The Outstanding Distributor Award for the third consecutive year from Imation.
- Best Networking Value Added Distributor in the Network Middle East Awards.
- Best After Sales from VAR Choice of Channel – 2011
- Champion distributor of the year VAR Choice of Channel – 2011
- Middle East and North Africa Distributor of the Year – EMEA Channel Academy Awards 2012
- HBN Distributor of the year Award from APC
- The Outstanding Sales Performance Award from APC Disti meet in Malaysia.
- Business Development Initiative of the Year Award 2011from APC
- Best Distributor Award for East & Southern Africa LSU - at the Nokia MEA Partner Conference
- Ranked No.1 in the 2012 Power List by Channel Middle East Magazine



D&B Award for Corporate Excellence at the Rolta Corporate Awards 2011



Registered Office:

**Redington (India) Limited**

SPL Guindy House

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